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ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT

**The Effect of Corporate Social Responsibility on Organizational
Performance: In the case of Derba Midroc Cement Factory in Addis Ababa,
Ethiopia**

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MARCH 2023

ADDIS ABABA, ETHIOPIA

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**THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON
ORGANIZATIONAL PERFORMANCE: IN THE CASE OF DERBA
MIDROC CEMENT FACTORY IN ADDIS ABABA, ETHIOPIA**

**A Thesis Submitted to the School of Graduate Studies of Addis Ababa
University School of Commerce in Partial Fulfillment for the Award of
Masters of Arts degree in Marketing Management**

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DECLARATIONS

I, Fitsum Bekele, the undersigned, declare that this thesis, "The effect of corporate social responsibility on organizational performance in the case of Derba Midroc cement factory in Addis Ababa, Ethiopia," is my original work and that it has not been submitted in part or in whole by any other person for an award of degree in any other university/institution.

I conducted the research on my own, with the guidance and support of the research supervisor.

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Place: School of Commerce, Addis Ababa University, Ethiopia

Date of submission: March 2023

CERTIFICATION

This is to certify that the thesis prepared by Fitsum Bekele, titled "The effect of corporate social responsibility on organizational performance in the case of Derba Midroc cement factory in Addis Ababa, Ethiopia, is submitted in partial fulfillment of the requirements for the award of the Degree of Master of Arts (Marketing Management), complies with the University Regulations and meets the accepted standards in terms of originality and quality.

Approved by The Board of Examiners

Advisor-----Signature----- Date-----

Internal Examiner-----Signature-----Date-----

External Examiner-----Signature-----Date-----

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LIST OF ACRONYMS

ANOVA-----	Analysis of Variance
CC-----	Corporate citizenship
CR-----	Corporate responsibility
CSP-----	Corporate Social Performance
CSR-----	Corporate social responsibility
RBV-----	Resource-based view of the firm
SPSS-----	Statistical Procedure for Social Sciences

ABSTRACT

Corporate Social Responsibility (CSR) is generally being used to drive organizations to build up a great affiliation with external and internal stakeholders to enhance organizational performance. Ethiopia is one of the developing countries where the attitude of corporate social responsibility is not well developed, and the governance system is not having a well-developed process and procedures to guide and support the activity. The study has aimed to determine the effect of corporate social responsibility on the organization performance of Derba cement factory in Addis Ababa, Ethiopia. The study collected through primary data by distributing questionnaires to a sample of Derba Midroc cement factory employees. Out of the 206 questionnaires, 187 (97%) respondents completed and returned the questionnaire while other stakeholders were excluded for the target respondents due to various limitations. Data was collected through five points Likert scales of the close-ended questionnaire. The quantitative data was coded and analyzed using SPSS 23 statistical tools, and the study's findings are explained in this study using descriptive and inferential (correlation and regression) analysis. The mean value of philanthropic, Ethical, Legal and Economic CRS were 3.59, 3.58, 3.68, 3.45 and 3.53, respectively. This study produced a correlation result for each independent variable with respect to dependent variables and the study found significant relationships between all mentioned dimensions of CSR with organizational performance at the 5% level of P value (i.e., 0.000). At the end of the regression analysis of coefficients presented, the values of philanthropic, ethical, legal and economic responsibility are 0.141, 0.151, 0.198, and 0.453, respectively; this shows that the values of all independent variables are positive, implying that independent variables have a significant effect on Organizational performance, and the hypothesis result of this study shows that all independent variables accepted as the significant value less than 0.05. In general, the researcher discovered issues with specific variables that is recommended. As a result, cement factory's should improve their existing CSR practice/activities for better organizational performance, and it is recommended that they continue to be on the strength side against those elements of CSR and take actions (recommended) as improvement areas.

Key Words: *Corporate social responsibility, organizational performance, philanthropic responsibility, ethical responsibility, legal responsibility, economic responsibility.*

CHAPTER ONE

INTRODUCTION

This chapter discusses the study's background, problem statement, research questions, objectives, scope, and organization of the paper.

1.1 Background of the Study

Corporate social responsibility (CSR) is one of the most controversial and significant topics since the 1950s, and it has been growing since then (Carroll AB , 2016). CSR discipline is one of the rigorous research areas among practitioners and academicians (Carroll AB, Shabana KM, 2020) In the history of the corporate world for the first time, CSR was putted by Bowen (Brammer S, Pavelin S, 2006) in his seminal book Social Responsibility of the Businessmen in 1953. The main question in his book, he claims, and one that is still being discussed, is "what are the duties to society that businessmen may fairly be expected to accept". Bowen (Brammer S, Pavelin S, 2006) also stresses the importance of knowing business ethics so that it can lead to superior enduring performance.

Corporate social responsibility (CSR) is a new issue in the business world. CSR has now become a requirement of modern business. It connects the organization to its social environment, requiring interaction between them (Ajao, O.S.; Festus, A.F., 2020). Society expects businesses to be more ethical and socially responsible than the law requires in today's competitive world. CSR is the voluntary incorporation of social and environmental issues into a company's corporate processes and interactions with its stakeholders.

Organizational Performance has also been viewed from various perspectives depending on the objectives and expectations of the users of information generated. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives (Chemwile, P. , 2017)

It is a self-regulatory business model that aids a company's social accountability to itself, its stakeholders, and the public (Aras, G., & Crowther, D. , 2008). CSR is a concept that refers to the organizations or corporations have some measure of economic, environmental, legal, and philanthropic responsibility apart from their responsibilities to make affair return for

stockholders and comply with the law (Ijaiya, H., 2014) One of the earliest theorists (Carroll, A. B, 1999).

Ethiopia is one of the developing countries where the attitude of corporate social responsibility is not well developed, and the governance system is not having a well-developed process and procedures to guide and support the activity. A simple control and decision making is available, which is not that inspiring (Abdissa, G.; Dunay,A, 2020).

Corporate social responsibility (CSR) in Ethiopia has become a significant feature of managing businesses, which implies all the appropriate social, environmental, and economic actions that a firm must incorporate to satisfy the concerns of stakeholders and the financial requirements of shareholders (Eyasu, A.M.; Endale, M., 2020).

Ethiopia has recently becoming Africa's largest cement market place. The Italians built the first cement factory in Dire Dawa town in 1938, with a yearly production capacity of 30,000 tonnes. The Ethiopian government built two cement factories in the 1960s, one in Massawa and one in Addis Ababa, each capable of producing 70,000 tons of cement per year. Mugher installed two production lines with a total capacity of 600,000 tons between 1984 and 1991 (Dure Mulatu, Lulit Habte, and Ji Whan Ahn, 2018).

Derba MIDROC Cement's one of the huge cement companies in Ethiopia the Cement production capacity at the plant is 2.5 million tpa and the clinker production capacity is approximately 5600 tpd. The companies recognize their corporate and social responsibilities and are committed to conducting business in a manner that achieves sustainable growth by discharging environmental, social and health, and safety obligations. The company aims to achieve theory business objectives in a caring and responsible manner recognizing the social and environmental impacts of our activities.

Therefore, the study is designed to assess the effect of corporate social responsibility on organizational performance towards Derba MIDROC Cement PLC in Addis Ababa in Ethiopia.

1.2 Statement of the Problem

Despite the fact that research on the idea of corporate social responsibility began in the mid-20th century, it has advanced significantly in the past two decades. (Carroll, A.B.; Shabana, K.M., 2010). Corporate social responsibility encompasses a variety of elements, such as stakeholder

engagement, economic growth, environmental protection, moral obligation, responsible behavior, and corporate responsiveness (Rahman, N.; Post, C., 2012). Business stakeholders are more concerned about company engagement in numerous economic, environmental, and social aspects than solely profit making to stay in operation.

In this regard, corporate social responsibility is an ever-increasing important component of the business world. Even though the concept of corporate social responsibility started to be studied in the mid-twentieth century, it has been significantly developed in the past two decades (Carroll, A.B.; Shabana, K.M., 2010).

Abd Rahim, R Jalaludin (2011) CSR has equal important to take note of the fact that the present-day CSR (also called corporate responsibility, corporate citizen, responsible business, corporate social responsibility) is defined in terms of business organizations or corporation that consider the interest of society by taking responsibility for the impact of their activities on several stakeholders therefore communities development as well as organization performance. Companies that practice corporate social responsibility (CSR) gain from their good deeds by increasing brand awareness, employee happiness, public image, consumer loyalty, inventiveness, and it describes how the company is attempting to improve its community (Cambra- Fierro, J. J., Flores- Hernández, J. A., Pérez, L., & Valera- Blanes, G. , 2020).

Organizations had been struggling for long time to maximize profits in several ways regardless the impact on customers and environment. Recently, different factors have forced organizations to pay a considerable attention to the concept of corporate social responsibility (CSR). Such factors include, but not limited to, pressures from customers, increased awareness concerning environmental issues, globalization, increased competitiveness, legal regulations, increasing media scrutiny, and dynamic and complex business (Awad, H., Al-Zu'bi, Z. M. F., & Abdallah, A. B. , 2016). This led to increased awareness of social responsibility, and improve organization performance.

Different Studies in the past have revealed incompatible results when observing the effects of CSR on a firm's performance. Some studies have exposed CSR as having a positive effect, while others have shown it to have a negative effect. For example, the finding of (Servaes, H.; Tamayo, A. , 2013) showed that the relation between CSR and organizational performance is negative and insignificant for firms with low customer awareness.

The authors believe that CSR philosophies do not make firms profitable given how the market works, and rather CSR was a waste of time and money. On the other hands, according to (Rendtorff, J. D. , 2019) stated that the relationship between CSR and community development CSR was the company's continued commitment to act ethically and contribute to economic, environmental, legal, and philanthropic while improving the quality of life for its workers and their families, as well as the local community and society as a whole.

According to (Fatemi, A.; Fooladi, I.; Tehranian, H., 2015) the term CSR in Africa is provoked by legislated demands being regularly omitted, while arguments about fitting business obligations anger workers. However, when it comes to CSR in Africa, it needs more mobilization programs from every angle at large, as CSR has acquired great importance in developing countries.

The attitude of corporate social responsibility is not well developed specially in cement factory, and the governance system is not having a well-developed process and procedures to guide and support the activity. A simple control and decision making is available, which is not that inspiring and also there is a lack of research work on the CSR concept and practices (Abdissa, G.; Dunay, A., 2020) Even if few researchers were studied but there is a significance gap about how corporate social responsibility improves organization performance due to lack of documented evidence of the benefits. It is implying that this area is not fully investigated.

In addition, none of the themes was conducted with inclusive literature about the effect of corporate social responsibility on organizational performance aligned with the cement industry.

Considering such gap this study was contributed to the literatures on the effect of corporate social responsibility (philanthropic, ethical, legal, and economic responsibility on organizational Performance: In the Case of Derba Midroc Cement PLC in Addis Ababa, Ethiopia.

1.3 Research Questions

1.3.1 Main Research Question

Does corporate social responsibility effect on organizational performance in the case of Derba Midroc Cement PLC in Addis Ababa, Ethiopia

1.3.2 Sub Research Questions

The study is intended to provide answers to the following research questions.

1. What is the effect of philanthropic CSR on organization performance in case of Derba Midroc Cement's?
2. What is the effect of ethical CSR on organization performance in case of Derba Midroc Cement's?
3. What is the effect of legal CSR on organization performance in case of Derba Midroc Cement's?
4. What is the effect of economic CSR on organization performance in case of Derba Midroc Cement's?

1.4 Objective of the Study

1.4.1 General Objective

The general objective of this study is to assess the effect of corporate social responsibility on organizational performance in the case of Derba Midroc Cement PLC in Addis Ababa, Ethiopia.

1.4.2 Specific Objectives

- To assess the effect of philanthropic corporate social responsibility on the performance of Derba Midroc Cement's.
- To examine the effect of ethical corporate social responsibility on the performance of Derba Midroc Cement's.
- To examine the effect of legal corporate social responsibility on the performance of Derba Midroc Cement's.
- To investigate the effect of economic corporate social responsibility on the performance of Derba Midroc Cement's.

1.5 Significant of the Study

The primary goal of this study is to address the effect of corporate social responsibility on organizational performance in the case of Derba Midroc Cement PLC in Addis Ababa, Ethiopia. The results of this study is expected to enable the performance of Derba Midroc Cement PLC in fulfilling its corporate social responsibility. The study is important value to the corporation and

to the society in a community because it tries to indicate the area of strength and weakness with regard to the effect of corporate social responsibility practice in terms of philanthropic, social, legal, and economic responsibility. The study is also important for other stakeholders cement factories for their organization performances improvement and the acceptance of the company by the sociality. On the hand, the result of this research is serve as starting point for any other researcher who wants to study in the area of corporate social responsibility.

1.6 Scope of the Study

The scope of the study is limited to the effect of corporate social responsibility on organizational performance in the case of Derba Midroc Cement PLC in Addis Ababa, Ethiopia. Which means the study focused on term of geography, time, subject, and methodology/data.

This variable includes the four dimension or responsibility of CSR (philanthropic, ethical, legal, and economic responsibility)

1.7 Limitation of the Study

Due to time and budget constraints, the study does not provide an overall picture of CSR in different sectors, instead focusing on Derba Midroc Cement PLC only. Another significant limitation of the study it was hard for distribution and collection of questionnaires as far working areas of the respondent's special who works in factory department.

1.8 Operational Definition of Terms

- ❖ **Philanthropic Responsibility:** are the voluntary responsibilities of the enterprise or organization can include things such as Funding educational services, promoting wellness initiatives, contributing to charities, supporting neighborhood beautification efforts, Volunteering activity and the involvement of the enterprise or of its employees in the community or of the stakeholders (Khan, M. T., Khan, N. A., Ahmed, S. (2012).)
- ❖ **Ethical Responsibility:** It refer to the corporation's responsibilities, which are not covered by legal or economical necessities, but instead by what could be considered as "right or fair" in the eyes of society. Thus, the ethical activity in this study will be measured by how the organization viewed in the eyes of the society with regard to its fairness. (Mekonnen, K., 2018)

- ❖ **Legal Responsibility:** The legal framework certainly nurtures society's ethical view, and all companies attempting to be socially responsible are therefore required by society to follow the law. It is a demand that companies act in accordance with existing legislation and regulatory requirements (Moharana, S., 2017) Therefore, legal activity in this study will be measured by how the company is committed to the existing legislation and regulatory requirements of corporate social responsibility.
- ❖ **Economic Responsibility:** that economic responsibility is beyond generating profit or meeting shareholder's expectations. (Lockett, A., Moon, J., & Visser, W. , 2006)
- ❖ **Organizational Performance:** According to Radipere and Dhliwayo, business performance is described as how well an organization is accomplishing its objective. Company performance can also be explained as the capacity of the firm to satisfy the intent of the organization and its main stakeholders. (Radipere, 2014)

The performance of the organization in this study was measured based on the sales, customer satisfaction, loyalty and retention, brand awareness and profit of the firm compared to other competitors (competitive advantage).

1.9 Organization of the Paper

The research was divided into five chapters. The first chapter presents the study's background, statement of the problem, basic research questions, objectives of the study, hypothesis, significances of the study, definition of terms and, finally, the study's organization. A review of related literature is included in the second chapter. The chapter discusses the relevant literature to the study. It consisted of an introduction, theoretical review, empirical review, and the study's conceptual framework. The third chapter is about research methodology. It describes the type and design of the research, the sources of the study, the data collection tools/instruments employed; the procedures of the data collection; and methods of data analysis used. The fourth chapter results and discussion /data presentation, analysis, and interpretation. The last chapter deals with comprises four sections, which include a summary of findings, conclusions, limitations of provides the data presentation and analysis made and recommended.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

The literature review starts out by outlining the current academic context of corporate social responsibility and continues with presenting what CSR can be considered to be within organizations. The aim of the chapter is to show the variety of perspectives and opinions found in the literature and organization Performance and related concepts). This chapter includes the theoretical and empirical studies together with conceptual framework, independent and dependent research variables.

2.1 Theoretical Literature

2.1.1 Meaning of Corporate Social Responsibility

Concern for the environment is not a new experience but its prevalence in Anglo-American business policy is growing and, due to the internationalization of market and business practices, this is influencing corporate strategies of companies throughout the world that encourages concern for societies in which they operate (Ralph, T. , 2009). During this time, the concept of corporate social responsibility (CSR) is dominant in business reports. "every corporate has a policy concerning CSR and produce a report annually detailing its activities". There is no universally accepted definition of CSR because there are so many variables to take into account. (Aras, G., & Crowther, D. , 2008)

The idea behind corporate social responsibility (CSR) is the recognition that firms do have ethical obligations and that they must respond pragmatically to social pressures. The range of appropriate responses has, however, expanded dramatically over the past several decades. Although the debate on the relationships between business and society, and the implied responsibilities, has been ongoing for decades, there is still no consensus on a commonly accepted definition of CSR (Carroll, A. B.: , 1999) (McWilliams, A.,, 2008). CSR still lacks a common ground, which is accepted by the majority and a necessary development to assert legitimacy, credibility, and value of research on the social and environmental responsibilities of business towards society. The term "corporate social responsibility" refers to a collection of company principles (Stanusch, A. , 2016).

The initiative, called corporate social responsibility social commitment (CSR–SC), has the aim of promoting the involvement of enterprises in CSR activities, with particular attention on small and medium-sized enterprises. (Matten, D., & Moon, J., 2004) Conclude that in their study the term CSR has become an important business issue in management education and research has indicates has no common meaning and definition of the concept CSR.

Cement is an energy intensive industry with energy typically accounting for 30– 40% of the production costs. The high-energy consumption places the sector to an important position from socio-economic point of view. Energy efficiency improvement in cement industry is thus an important area of research. An appropriate CSR must be adopted to achieve the principal objectives, such as maximizing the plant productivity, minimizing the raw material, minimizing the energy consumption, and improving the performance at partial load, of any cement industry (Szabo, L., 2003).

Despite the fact that the CSR idea currently lacks a generally acknowledged definition, my goal in this theoretical research is to look into the literature from many years and present a distillation and definition of CSR from the perspectives of many CSR experts. In this paper, I also examine corporate social responsibility in order to comprehend its four primary elements, or the four different types of social responsibilities that make up total CRS. These elements are represented in a pyramid of corporate social responsibility, which offers a framework for comprehending how the firm's economic, legal, ethical, and philanthropic performance has changed over time. In addition, in this paper, the four major or mainstream theories of CSR as well as their conceptual bases of each theory in the literature are explored and discussed.

2.1.2. Theories of corporate social responsibility

The literature on corporate social responsibility mostly uses two types of theories, which are linked to the internal and external drivers of corporate social responsibility.

Institutional theory, Agency theory, Stewardship theory and stakeholder theories are external and analyze the relationship between the company and society, whereas and resource-based theory are focused on identifying the company management and social values of the employees of the organization (Mellahi, K.; Frynas, J.G.; Sun, P.; Siegel, D. , 2016).

2.1.2.1. Institutional Theory

Corporate Culture and organizational Ethical Climate Both corporate culture and organizational climate can already give a hint on whether a corporation will consider external and internal constituencies' and society's interests at all, however, these are the foundations on which CSR creativities will expand. The environment of an organization is a sign of the common system of sensitivities, policies, and procedures among all members of the organization, and it decides what is considered "ethically acceptable" conduct and how ethical problems are to be treated within that organization. While a variety of internal and external influences may impact members' broad ethical views, the atmosphere gives members with "norms, standards, and expectations of ethical conduct" while they are members of the organization, which may lead to differing opinions of what is good and wrong, tolerable, or even predictable, when the individual finds itself in the organization related with his or her personal life (Hemingway, C. A. , 2005).

Ethics Education According to (Keinert, C. , 2008) many scholars have previously stressed the importance of the schooling effectll, meaning more ethical business attitudes and behavioral patterns can be achieved through the positive effect of moral educationll in the first place. Ethics instruction sensitizes business students to ethical issues, and it is having been proven capable of affecting their behavior at the margin.

One institutional necessity for corporate CSR activity is the availability of resources: When decision-makers have greater resources at their disposal, they are less constrained in their planning and execution of social or environmental goals. Hence, the "organizational capability for invention and implementation of social initiatives" is determined by resource availability; interestingly (Hemingway, C. A. , 2005).

2.1.2.2. Agency Theory

According to the agency theory, corporations represent their shareholders. In other words, shareholders who invest in corporate ownership empower the corporation's executives and directors with the administration of their resources. This is primarily brought on by short-term demand for profits and the asymmetry of information that officers, and directors possess compared with that of shareholders (Jensen, M. C., & Meckling, W. H. , 2019). It is based on the problems related to separation of ownership and controllability. When one party (the principals) enters into a contract with another party (the agents), with the intention of having the agents

make decisions on the principals' behalf, an agency problem results. (Jensen, M. C., & Meckling, W. H. , 2019) . Jensen and Meckling further argued that when the management interest is low, there is a greater likelihood that the management involves itself in value decreasing activities.

An agency problem occurs, as agents tend to hide information from the principals and take actions in order to achieve their own interest.

The term "agency relationship" refers to a variety of connections that play a role in the transfer of decision-making authority from one party (the principal) to another (Agent). Delegation and various risks cause a moral hazard to the executives (D. Craig,, 2010). Moral hazard to executives gives opportunity to seek for additional reward through opportunistic means such as perquisites, shirking and free riding and at the same time, the principals are motivated to increase their monitoring fees and incentives. (Jensen, M. C., & Meckling, W. H. , 2019) .

Jensen and Meckling also defined the agency costs as the inevitable loss of firm value that arises with the agency problems along with the costs of contractual monitoring and bonding.

Three types of costs have been identified by Jensen and Meckling due to agency problem, namely: Monitoring costs, Bonding costs and Residual loss.

Monitoring Costs Craig argues that assuming managers (agents) will be responsible for preparing the financial statements, there will be attempted to overstate profits thereby increasing the ultimate share of incentives or bonus, as their (agent) actions are self-interest driven

Contingent Loss Yet, even after paying for monitoring and bonding, the principals may still suffer losses if the agents choose actions that do not optimize the interests of the principals. (O. E. Williamson, , 1988). This loss is acknowledged as being residual. Often, monitoring and bonding expenses are expended to lessen or eliminate the agency issue.

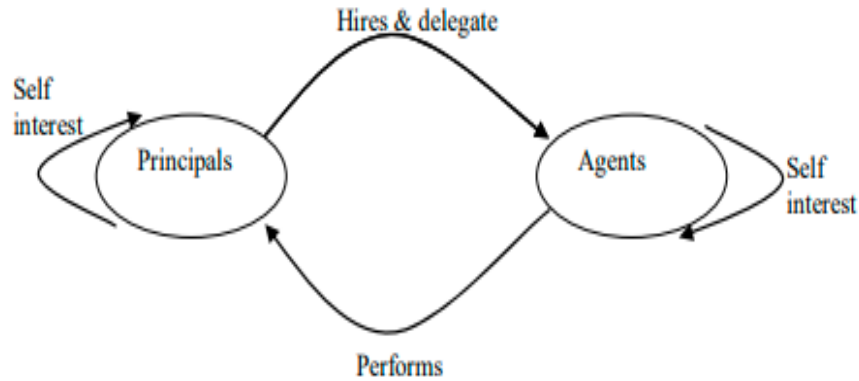


Figure 2. 1: The Agency Model

2.1.2.3. Stewardship Theory

An alternative normative theory to agency theory is the stewardship idea, which is a component of corporate governance. Simply put, the stewardship theory asserts that managers will use their resources responsibly if left to themselves and that there is a clear association between job satisfaction and organizational success. This theory was introduced by (Donaldson, J., & Fafaliou, I. , 2003). Good stewards collaborate with others rather than working alone and are not motivated by their own interests, as are agents who believe in agency theory. According to stewardship theory, a steward understands that if work is done for the benefit of the business as a whole, individualistic, opportunistic, and self-serving goals will be achieved.

Stewardship theory has its roots from psychology and sociology and is defined by (Davis, J. H., Schoorman, F. D., & Donaldson, L. , 1997) as a steward protects and maximizes shareholders wealth through firm performance, because by so doing, the steward's utility functions are maximized.

In this perspective, stewards are company executives and managers working for the shareholders, protects and make profits for the shareholders. Unlike agency theory, stewardship theory stresses not on the perspective of individualism (Donaldson, L., & Davis, J. H. , 1991) but rather on the role of top management being as stewards, integrating their goals as part of the organization.

According to the stewardship approach, when organizational success is realized, stewards feel fulfilled and inspired. (Agyris, C. , 1973) Argues agency theory looks at an employee or people as an economic being, which suppresses an individual's own aspirations. However, stewardship

theory recognizes the importance of structures that empower the steward and offers maximum autonomy built on trust (Donaldson, L., & Davis, J. H. , 1991).

It stresses on the position of employees or executives to act more autonomously so that the shareholders' returns are maximized. Indeed, (Fama, E.F. , 1980) contend that executives and directors are also managing their careers in order to be seen as effective stewards of their organization, whilst, (Shleifer, A. and Vishny, R.W., 1997) insists that managers return finance to investors to establish a good reputation so that that can re-enter the market for future finance. In nations like Japan, where workers take on the role of stewards, take ownership of their tasks, and work diligently.

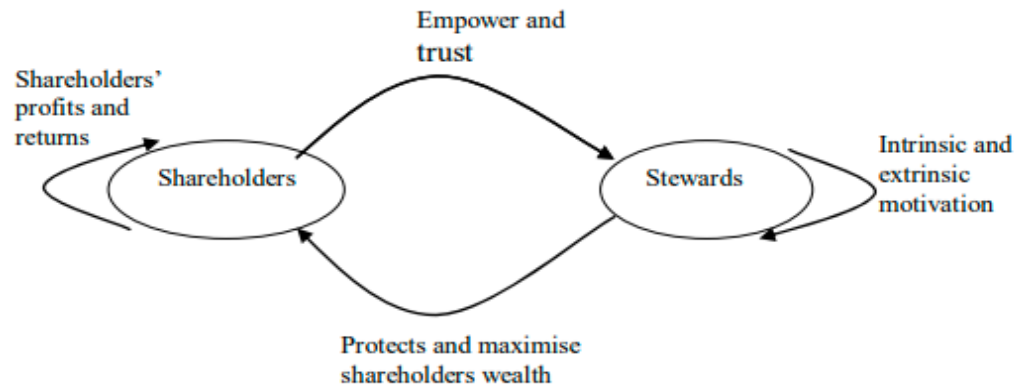


Figure 2. 2: The Stewardship Model

2.1.2.4. Stakeholder Theory

Stakeholder theory was incorporated into the management discipline in 1970, stakeholder theory was steadily refined by Freeman (1984) and included corporate accountability to a wide range of stakeholders (Wheeler, D., Colbert, B. and Freeman, R.E. , 2003) argued that stakeholder theory derived from a combination of the sociological and organizational disciplines.

Indeed, stakeholder theory is less of a formal unified theory and more of a broad research tradition, incorporating philosophy, ethics, political theory, economics, law, and organizational science.

In stakeholder management, groups with an interest in the company are intended to be included in managerial decisions. Rather than focusing on overall responsiveness, individual concerns, or the public accountability concept, the approach known as "stakeholder management" is oriented

toward "stakeholders," or individuals who influence or are influenced by corporate policies and practices (Verbeke, A., & Tung, V. , 2013).

i. Organizational Stakeholder

An organization of staff and employees has the right to demand fair compensation, secure working conditions, and fulfilling work's is one component of a business shift intended to dispel the notion that shareholders only view employees as a means to an end. CSR is advocated to advance all workers' rights, guarantee that businesses uphold these rights, and make any necessary adjustments to stop the exploitation and mistreatment of labor (Zattoni, A., 2012)

ii. Economic Stakeholder

The suppliers every company purchases several products from people and other businesses, including machinery, raw materials, and packaging materials. Also supplies of a variety of crucial intangible items, such as advice and specialized services.

In addition to counting on its suppliers to furnish necessary items, a firm ordinarily tries to obtain from its suppliers advance information on new developments in their special fields (Torugsa, N. A., 2013).

iii. Social stakeholders

The Situation Increasing public awareness of depleting resources, hazardous waste, and global warming is persuading businesses to make greater efforts to be more ecologically considerate. Many accommodations are challenging the common perception that the natural environment is merely a source of resources and an equally convenient dump for waste, and CSR is an effort by companies to respond to these concerns. The seriousness of modifications being made on the part of corporations includes some serious energies to accomplish sustainability and other efforts that are basically "emerald wash," actions in which corporations put more effort into appearing green than into actually being green (Hussainey, K., 2011).

The preservation of life and the protection of property have traditionally been the functions of the government. Governments can, however, directly, or indirectly promote a firms profitability, smart firms stand to gain greatly from government contracts, direct subsidies, or indirect subsidies (paid for by consumers) such as duty or quota protection against poverty (Filatotchev, I., & Nakajima, C. , 2014).

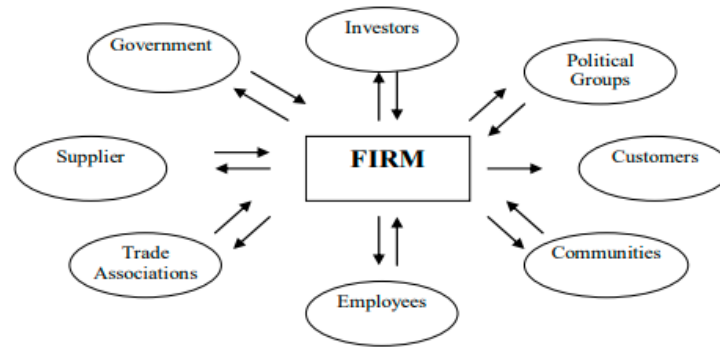


Figure 2. 3: The Stakeholder Model (Donaldson, T. and Preston, L.E. , 1995)

2.1.2.5. Resource Based theory

While the term "corporate social responsibility" has many definitions, most of them describe it as the actions businesses take that seem to further societal agendas beyond what is legally necessary. (Siegel, D. S. and Vitaliano, D. F., 2007) In essence, the substance of CSR is the provision of public benefits (Baron, D. , 2001).

The fundamental mutual dependency of business and society is an economic one. This dependency serves the interests of both, i.e., business and society as related to the function of each (Windsor, D. , 2001) the business activities provide the products that society requires, and the society provides the value that the businesses need in order to remain in operation. This mutually beneficial relationship is regulated by rules of engagement that identifies and governs the rights, responsibilities and accountabilities of both corporations and societies. There is evidence to imply that society expects businesses to carry out their duties without having an adverse effect on society or the environment.

There are clearly upper and lower bounds to what societies and consumers are ready to pay the right to use corporate services (Werther, W.B. and Chandler, D., 2006). A CSR strategy can also be viewed as a key intangible dynamic resource in the firm's resource-based perspective (RVB). It can offer a broad framework for choices about the creation and use of various organizational resources that, taken together, define their marketing strategy and direction.

According to the firm's resource-based perspective, an organization must structure its internal capabilities to correspond with the demands of the external environment in order to accomplish its goals. The right combination of productive resources may allow the company to function

profitably in the chosen target market, for the particular kind and scope of value (objectives) that are being sought after (Day, G. S. and Nedungadi, P. , 1994)).

The dynamic capability perspective (Teece, D. J., Pisano, G. and Shuen, A. , 1997) calls for “the ability to integrate, build, and reconfigure internal and external competencies to address rapidly-changing environments”. The dynamic resources can be used by a firm to instigate adjustments to its resource combination and thereby maintain sustainability of the firm’s competitive advantage. About marketing, the CSR adopted as a core strategy, because of its core function, can be characterized as a key intangible resource. CSR can be ingrained in an organization through the establishment of a cultural value system that promotes the progressive construction of an exceptional reputation for the firm in the minds of all categories of stakeholders.

2.1.2.5.1. Dynamic Capability

Dynamic capability is considered an important factor-affecting firms undertaking strategic CSR (Teece, D.J. A, 2019) Where the dynamic capability refers to the higher-level capabilities associated with other resources and capabilities to achieve fitness with the environment. Dynamic capability consists of sensing, seizing, and transforming capabilities.

Sensing activities incorporate external information to the internal organizational system, which helps managers identify possible firm problems and new opportunities (Teece, D.J. A, 2019). The acquiring capabilities focus on the responsiveness of the firm system to external opportunities and threats.

Dynamic capability creates intangible and valuable assets, such as knowledge that is scarce and difficult to imitate (Teece, D.J. A, 2019). Therefore, the dynamic capability is vital for creating and maintaining a sustainable competitive advantage in the market. The internal competency for establishing and obtaining the respondents' sustainable competitive advantage can be shown by dynamic capability. Teece defined the dynamic capability as a firm’s ability to integrate, build, and reconfigure internal and external competencies to create a long-term competitive advantage (Teece, D.J. A, 2019). The measures of dynamic capability are often constructed based on this definition. Referring back to the concept of dynamic capability, the ultimate aim and result of having dynamic capability is the establishment of sustained competitive advantage.

2.1.3. Ethics Theories and Corporate Governance

Other than the basic corporate governance theories of agency theory, stewardship theory, stakeholder theory, resource dependency theory, and others, there are other ethical theories that can be closely associated to corporate governance. They include the theories of corporate ethics, virtue ethics, feminist ethics, discourse ethics, and postmodern ethics. The main reasons for this are the power and influence of business in any given society is stronger than ever before. Business ethics helps us to identify benefits and problems associated with ethical issues within the firm and business ethics is important as it gives us a new light into present and traditional view of ethics (Crane. A and Matten. D. , 2007)

2.1.3.1 The Triple (P) Bottom Line

According to (Aras, G., & Crowther, D. , 2013) suggested that Most of the CSR theories admit that the idea of traditional bottom line indicates (TBL) concepts that was introduced in 1987 in Brundtland commission known as: - Profits, People, and Planet (not necessarily in that order) that is economic, social, and environmental responsibility as a means of planning for and measuring performance.

Profits:- It is an important aspect of the bottom line It is necessary both to reward investors/ owners and also for business growth when profits are reinvested back into the business (Saiia, D. H., Carroll, A. B., & Buchholtz, A. K., 2003)

People: - It is a business's lifeblood. The social dimension indicates on improving the standard of living. CSR is a tool that serves to develop and preserve good relationship between society and an enterprise (Fauzi, H., Svensson, G., & Rahman, A. A. , 2010).

Planet: - This is the habitat of a company's and the people. Large corporations will suffer the same effects as everyone else on Earth if their actions cause environmental pollution and destruction. Therefore, the least those companies can do is to reduce or eliminate the detrimental environmental impact (Lock, I., & Araujo, T. , 2020).

2.1.4 Theoretical CSR conceptualizations

According to (Sarokin, D., & Schulkin, J. , 2020) the components of Corporate Social Responsibility programmers are frequently referred to by different names, such as

Environmental, Social, and Governance (ESG) Programs, Corporate Sustainability Programs, or simply the initials CSR. These are discussed further below. -

2.1.4.1 Corporate Governance and CSR

Corporate governance and CSR are critical components of a systems approach. Corporate governance is concerned with ensuring the stability of economic and social goals, as well as individual and communal goals. The corporate governance agenda was put in place to encourage resource efficiency and to make employees responsible for resource stewardship. The goal is to align the interests of individuals, corporations, and society as closely as possible. (Keinert, C. , 2008).

Explained Corporate governance is a broad set of principles and mechanisms that ensure proper power distribution in order to protect the interests of business entities' stakeholders. A broader definition of "good governance" is the "right way" of doing business while adhering to due diligence in all aspects of the business, both legally and ethically, and having good decision makers at all levels of management. CG is more concerned with internal processes and decisions than with external stakeholder groups (Hopkins, M. , 2003).

2.1.4.2 Corporate Social Responsiveness

Use corporate responsibility (CR) as a general term for the responsibility field. CSR stands for corporate environmental responsibility, CSR stands for corporate financial responsibility, and CSR stands for corporate social responsibility, which is more narrowly defined as a labor and community responsibility (Roberts, P. W., & Dowling, G. R. (2002). , 2002). From the standpoint of CSR, the question of whether or not corporations should respond to external pressure has already been answered, whether through public opinion and scrutiny, or through governmental social regulation.

CSR is characterized as business operations in accordance with both ethical standards and the law. Some argue that CSR is equally valuable for the organization, that corporations are simply mechanisms to serve shareholders, and that ethical concerns are aligned with this concept of the corporation. However, a mechanistic view of the corporation does not do justice to the history of corporate characters and financing (Abeysekera, A. P., & Fernando, C. S. , 2020).

2.1.4.3 Environmental Aspects and CSR

Environmental CSR aims to lessen environmental degradation, improve energy efficiency and productivity, and avoid practices that might have an adverse effect on how future generations use natural resources. Even small businesses can implement programmes to recycle materials, use solar energy, reduce trash, and take other environmental actions (Glasson, J., & Therivel, R. , 2013).

2.1.4.4 Economical Aspects and CSR

Corporate social responsibility is important in the existence of social stakeholder preferences; corporations may use strategic CSR to optimist revenues, whereas non-profit CSR may satisfy shareholders (Dick, M., Wagner, E., & Pernsteiner, H. , 2021) (Škare, M., & Golja, T. , 2014) stated that when a company is occupational safety and health management is in good shape, costs are lower. There are fewer production disruptions due to accidents, and workers miss fewer days of work. The economy is dependent on efforts to promote CSR and put its management ideas into practice.

2.1.4.5 Corporate Social Performance

Corporate Social Performance, as its name suggests, is a metric that assesses the results of CSR activities and, consequently, the relative success or failure of CSR programs, policies, and initiatives. By concentrating on social and environmental issues, CSP can assist in presenting a more accurate view of a company's overall performance (Keinert, C., 2008).

Social policies and programs are clear societal and environmental policies that state the company's values and beliefs about its social environment. Several companies now include social and environmental goals in their mission statements and overall corporate policies. The social impacts can be measured at any time by observing concrete changes that a corporation has achieved through the implementation of programmes.

In summary, CSP can be defined as a snapshot of a corporation's overall social performance at a specific point in time, representing an aggregation of a corporation's individual acts of CSR up to that point (Muller, A., & Kolk, A. , 2009).

2.1.4.6 Strategic Corporate Social Responsibility

The literature on CSR has stressed the lack of consensus in defining CSR (Aguinis, H.; Glavas, A., 2012) CSR's conceptual vagueness, the inherently normative feature of the CSR literature, and the halt in the literature's development by the continuous introduction of new concepts related to CSR has led to a lack of CSR concepts (De Bakker, F, 2005). Traditionally, a company's social responsibilities should include economic responsibility that maximizes the shareholders' wealth and has legal, ethical, and discretionary responsibilities. However, developing countries have different rankings and priorities of CSR components. (Carroll, A.B. , 2016) Specifically, with economic responsibility first and philanthropic responsibility second, followed by legal and ethical responsibilities.

The ranking differs from Carroll's pyramid because CSR is commonly associated with charity or philanthropy in developing countries. This conclusion is further supported by the fact that the institutional environment in transitional developing countries leads to imperfect market and legal systems. As a result, while such companies exist, "stockholder interest" and "legal compliance" are rarely considered when developing CSR. Thus, many issues, such as a lack of procedural protection for legitimate rights, result in weak legal enforcement and civic accountability (Carroll, A.B. , 2016).

Lantos classified CSR into three categories based on its purpose and nature: moral, altruistic, and strategic CSR. Moral CSR is carried out because of moral norms, whereas firms carry out altruistic CSR because they want to be good citizens and benefit society without regard for financial returns (Lantos, G.P. , 2001). By comparison, strategic CSR is carried out since the firms want to gain a sustainable competitive advantage for either moral purpose, i.e., no harm or to compensate for harm done to society, or charitable purpose, i.e., contributing to society actively so as to meet social expectations. (Vishwanathan, P., 2020) Further defined strategic CSR as an implementation tool to ensure that the CSR activities of the firm and business operations are aligned and generate social good and financial value. Through a review of CSR research, we have found three main characteristics of strategic CSR.

- First, strategic CSR concerns the interests of stakeholders. Since firms' operating activities and the interests of stakeholders affect interactively, it is important to consider the needs of stakeholders when operating firms.

- Second, strategic the coexistence of business and social benefit is emphasized by CSR. Strategic CSR links social and economic objectives throughout time by integrating social objectives into business objectives. (Vallaster, C. , 2017)
- Third, firms integrate strategic CSR into their core operating activities. Since strategic CSR lays a foundation for creating and maintaining a sustainable competitive advantage, strategic CSR creates a shared value for the society and the firms. (Vallaster, C. , 2017)

2.1.5 CSR practice in Developing Countries

Carol (1991) developed a pyramid to explain four dimensions such as ethical, legal, philanthropic, and economic responsibilities. These four dimensions are supposed to shoulder its responsibilities to various interest groups. This model explains also, why firms need to adopt a socially responsible practice in a developing country context. These dimensions are economic, legal, social and philanthropic responsibilities respectively in terms of vitality. This model of CSR has been tested and supported by the findings (Aupperle, K. E., Carroll, A. B., & Hatfield, J. D. , 1985) but mostly in American context (Lockett, A., Moon, J., & Visser, W. , 2006) which makes it difficult to adapt to developing countries.



Figure 2. 4: Africa’s CSR Pyramid

Source: Africa’s CSR Pyramid (Visser, 2006)

The developing countries CSR pyramid was developed by (Lockett, A., Moon, J., & Visser, W. , 2006) to contextualize the concept. Visser extended Carroll’s pyramid to the African context and he argued that the order of significance of the four dimensions is not the same rather differs. This is associated with the economic and social/ethical challenges to the society and governance gaps

in the continent Africa. As a result, economic responsibilities are still valued as most important, while philanthropic responsibilities are emphasized as second with legal and ethical responsibilities third and fourth respectively. Hence, it helps to explain which component is emphasizing on learning towards responsible business in practice (cited in Mathias, 2015 p.13). Carol (1979) stated that the basic function of a corporate is to produce goods and services that the society desire and sell them with profit. But this claim was contested in that economic responsibility is beyond generating profit or meeting shareholder's expectations.

Visser (2006) argues that due to Africa's high unemployment rates, shortage of investment and high poverty, the economic role of companies is of prime value, thus leading to the importance of economic responsibilities in the African context. Companies that operate in developing countries progressively report on their economic responsibilities by indicating „economic value added“ statements (Visser, 2006)

In addition, it is not common to find a specific form of corporate social responsibility practices in the developing world; otherwise, it could be seen from business perspectives (Bedada, S.M.; Eshetu, M.S., 2011). For reasons of sustainability, not-for-profit organizations and public interest institutions in Africa, such banks and publicly traded enterprises, have been recognized to be very interested in community-based CSR operations. Most of these organizations are subsidiaries of multinational companies ascribing to and complying with the standards set by the corresponding global offices based in developed countries (Jamali, D.; Lund-Thomsen, P.; Jeppesen, S., 2017) In addition, unlike in developed countries, regulatory agencies in Africa do not provide adequate capacity, if any, for the implementation and monitoring of CSR activities by organizations (Jamali, D.; Lund-Thomsen, P.; Jeppesen, S., 2017). However, the big challenge for developing countries is that the industry environment is not the same as in developed countries and major issues affecting CSR practices also vary widely according to the local environment (Abebe, M.G. , 2020).

According to his research, Ethiopian CSR activities, like those in many other developing nations, are governed by five recognized domains: economic, legal, ethical, philanthropic, and environmental. A number of corporations are now following an increased commitment to CSR beyond just profit making and compliance with regulation (Famiyeh, S., 2017). According to (Abebe, M.G. , 2020) CSR from the Ethiopian perspective can be viewed as two-fold. Firstly,

there is the current development of certain formal CSR activities made by international companies and non-governmental organizations (NGOs). Secondly, there is the existence of some informal CSR activities that are closely linked to cultural Ethiopian traits found in the national companies and organizations of Ethiopia.

2.1.6 Importance of CSR

The creation of norms to protect environmental and social values, as well as respect for common properties, are necessary to meet the demands of both present and future generations. Some of the benefits of CSR are presented below:-

- A. **Improve Financial Performance:** most of the recent study in benefits of CSR study has found that stake holder stable companies presented four times the growth rate and eight times work growth, when compared to companies that focused only on shareholders and profit maximization (Cherian, J., Umar, M., Thu, P. A., Nguyen-Trang, T., Sial, M. S., & Khuong, N. V., 2019).
- B. **Enhance Brand Image and Reputation:** A company that determine corporate social responsibility gets benefit both by its improved status with the Public as well its reputation within the business and in making of good for encouraging their customers. It helps build equity of a brand by creating positive image in the mind of customers.
In addition, CSR has been observed to improve the success and increase the development of the companies (Mahmood, A., & Bashir, J. , 2020).
- C. **Increase sales and customer loyalty:** A number of studies have suggested that a large and growing business. CSR interconnected to the customer experience in involving employees and products for inspires the most loyalists, followed by community support activities and Companies to be socially responsible. Customers are more likely to be loyal to your brand if your corporate values align with their personal ones (Latif, K. F., Pérez, A., & Sahibzada, U. F., 2020).
- D. **Increase ability to attract and retain employees:** the way a company treats its community within a lot about how a company treats its employees. People that feel valued and supported in their jobs are often more productive and satisfied at work. Employees will gain motivation and pride in their work through these personal development opportunities (Mahmood & Bashir, 2020).

- E. Reduce Regulatory oversight: Companies that exhibit on engaging in practices that satisfy and go beyond regulatory compliance requirements are given fewer inspection and freer rein by both National and Local Government Entities (Ramakrishnan, 2015).

2.1.7 The Key Elements of Outstanding CSR Practice

According to communication for development Ltd (2018) there are five key elements of outstanding CSR practice. Here are-

1. Building sustainability into the core of the business model: - This part of CSR practice is focused with the impact that present actions have on future possibilities. That is why we are concerned about the long-term viability of the operations, and a person work hard across the board to guarantee that the things that do and the way we do them are truly sustainable (Aras, G., & Crowther, D. , 2008).
2. Applying CSR principles locally and internally:- It's wonderful to see business establish charitable foundations and supporting some outstanding causes both at home and abroad; CSR perspectives disagree on whether multinational corporations (MNEs) should adopt centrally coordinated, "global" CSR strategies or encourage decentralized, "local" CSR strategies.
3. Focus on related social issues People expect businesses to establish corporate social responsibility by taken bearings on social issues such as the environment, politics, human rights, and gender. Some of this social issue, however, is less divisive than others and sometimes, silence is still the best public relations policy (Ozdemir, O., Erkmen, E., & Kim, M. , 2020).

2.1.8 Challenges of CSR

Factors limiting when implementing CSR include “lack of community participation in CSR activities, need to build local capacities, issues of transparency, non-availability of well-organized NGOs, visibility factor, narrow perception towards CSR initiatives, non-availability of clear CSR guidelines, immense social problems that exist in the local setting and the lack of consensus on implementing CSR issues (Van Beurden, P., & Gössling, T. , 2008).

According to (Kassaye, S., Pant, K. K., & Jain, S. , 2016) Businesses in Ethiopia cannot function if employees are affected by different problems or if infrastructure is unavailable and therefore

philanthropic motives and business motives are closely interconnected. Yet, in Ethiopia, there is little visible correlation between CSR initiatives and cultural contexts, or there is a gap between philanthropic and business interests.

The determinants of CSR are classified in to three i.e., firm characteristics, corporate governance characteristics and institutional or industry characteristics. Accordingly, firm characteristics play an important role in predicting firm's level of CSR engagement and it includes factors such as size, profitability, capital structure, or investments. It is argued that larger corporations are more likely to invest in CSR initiatives because of the greater public scrutiny over their behavior. The industry, in which a company is active, seems to have a significant effect on a corporation's level of CSR engagement (Kostova, T., Marano, V., & Tallman, S. , 2016). That is, firms those are active in more environmentally sensitive industries, such as the mining, oil and energy generation industries, tend to engage more in CSR activities than firms that are not active in environmental sensitive industries.

2.1.9 The Dimensions of CSR

Carroll (2016) proposed that there are four kinds of corporate social responsibilities constitute total CSR: economic, legal, ethical, and philanthropic. In addition to those four CSR types or components others related to the four components of CSR could be characterized by way of a pyramid.

2.1.9.1 Philanthropic Responsibilities

Any type of giving is considered corporate philanthropy. Business's voluntary initiatives are included in corporate philanthropy. Participating in events or initiatives that advance the good or welfare of people falls under this category.

It important aspect of the business–community relationship is corporate philanthropy or corporate giving (Moharana, S., 2017) Every year, businesses around the world give generously to their communities through various kinds of philanthropic contributions to nonprofit organizations. Typically, gifts by corporations and their foundations take one of three forms: charitable donations (gifts of money), in-kind contributions (gifts of products or services), and volunteer employee service (gifts of time). Philanthropy and ethical obligations can be distinguished by the fact that the former is not expected in an ethical or moral sense.

Communities desire firms to contribute their money, facilities, and employee time to humanitarian programs or purposes, but they do not regard the firms as unethical if they do not provide the desired level (Mekonnen, K., 2018) It covers the activities of the company that show the company is like a good citizen. Among cases where companies can have a share include participation in supporting the arts, education, and other sectors that can enhance the quality of life in society (Kesto, D.A. , 2017) Therefore, the researcher proposed the following hypothesis:

Hypothesis 1 (H1). Philanthropic activity has a positive impact on organizational performance.

2.1.9.2 Ethical Responsibilities

It represents the standards of, norms, or expectations that reflect a concern for what customers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights. Most societies' normative expectations maintain that rules are necessary but not sufficient. For instance, the consumer, public rights, and environmental movements exposed significant changes in cultural norms and can be seen as ethical forerunners that anticipated and culminated in subsequent laws. In addition to what is required by laws and regulations, society expects businesses to operate and conduct their operations ethically. (Carroll, 2016).

Ethical activities Carroll and Shabana defined ethical responsibility as the voluntary actions taken by firms to promote and achieve the goals for the society that go beyond economic and legal responsibility.

The expectations of the public of companies' social contributions are rising, while the perceived performance of companies on social goals is progressively declining (Chemwile, P., 2017)

Despite this, society and business share tacit knowledge that is a part of humanity, and this leads to the creation of a moral fabric. For instance, it is possible to view the consumer, civil rights, and environmental movements as ethical predictors that anticipated and influenced later laws because they represented fundamental shifts in society norms. In another sense, ethical responsibilities may be seen as embracing newly emerging values and norms society expects business to meet, even though such values and norms may reflect a higher standard of performance than that currently required by law (Moharana, S., 2017) Therefore, the researcher proposed the following hypothesis:

Hypothesis 2 (H2). Ethical activities have a positive impact on organizational performance.

2.1.9.3 Legal Responsibilities

In addition to recognizing businesses as legitimate economic organizations, society has also developed the underlying guidelines that govern how businesses are expected to run and function. These ground rules include laws and regulations and in effect reflect society's view of codified ethics in that they articulate fundamental notions of fair business practices as established by lawmakers at federal, state, and local levels (Baden, D., 2016).

In that they incorporate fundamental principles of ethical conduct as set by our legislators, legal obligations reflect a view of the philanthropic responsibility of "codified ethics" (Moharana, S., 2017). According to (Carroll, A.B. , 2016) CSR is a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. Organizations need to be compelled to honor their environmental responsibilities, since their primary preoccupation of creating economic value invariably leads to social costs or external costs necessary for creating environmental value but not borne by producers. Moreover, (Tuan, L.T. , 2012) defined this responsibility as the positive and negative compulsions defined by the law of a country on firms. In fact, legal responsibility may include obeying legal requirements such as the tax law, employees' safety, or environmental standards. Therefore, the researcher proposed the following hypothesis:

Hypothesis 3 (H3). Legal activities have a positive impact on organizational performance.

2.1.9.4 Economic Responsibility

Businesses create profits when they add value, and in doing this they benefit all the stakeholders of the business (Carroll, 2016).

Visser (2006) argues that due to Africa's high unemployment rates, shortage of Investment and high poverty, the economic role of companies is of prime value, thus leading to the importance of economic responsibilities in the African context. Companies that operate in developing countries progressively report on their economic responsibilities by indicating economic value added 'statements Economic entities designed to provide goods and services to societal members (Masoud, 2017).

This sort of CSR aims to strike a balance between commercial, environmental, and charitable operations. It is a linked field. According to Masum, Aziz and Ahmed (2020) concluded in their studies a proper monitoring system should be put in place to address the challenge pose by negligible and non-existent benefits. This can be done by finding a balance between increasing profits and helping the neighborhood. It's important to remember that CSR encourages attention to be diverted away from the organization's wealth maximization goal (which is a profit-driven calculation) and toward the goal of society wealth maximization (which is a morally based calculation). The relationship between economic responsibility and community development had positive and significant. Therefore, the researcher proposed the following hypothesis:

Hypothesis 4 (H4). Economic activities have a positive impact on organizational performance

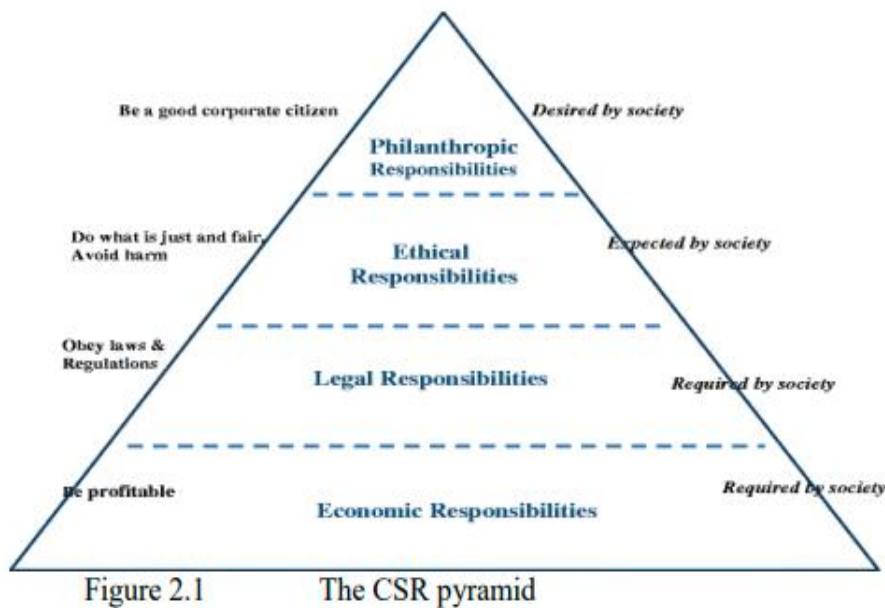


Figure 2. 5: Carroll CSR Pyramid

Source: own work based on Carroll, (2016.)

2.1.10 Measure of CSR

According to (Hopkins, M. , 2013) CSR is measured the organizations on following three level of responsibility.

I. Level in the principle of social responsibility

The institutional level of application of these principles is based on a firm's primary responsibilities as a business entity. Its value lies in the fact that it establishes the institutional relationship between corporations and their employees, as well as defining what is predictable in any organization (Crowther, 2004). According to Hopkins (2003), the CSR model itself is all about the relationship between company and society at large, and it consists of three primary elements:

- Legitimacy focuses on business as a social institution and underpins analytic thinking on how business and society interact.
- Public responsibility relates to the specific company, its operations, and its results within the framework of its own guiding principles in terms of what it actually does.
- Managerial discretion whereby managers and other organizational members are moral actors. Within every domain of corporate social responsibility, they are obliged to exercise such as discretion is available to them towards socially responsible outcome.

II. Level in the process of social responsibility

Based on Hopkins (2003) there are three elements that are identified as basic elements of this level of the CSR model:

- A. Business environment scanning. Indicates the department of the company responsible for obtaining information and disseminating such information within the company.
- B. Stakeholder management. Stakeholders include owners, suppliers, employees, consumers, competitors, domestic and international governments, nonprofit organizations, environmental and consumer protection groups, and others who can affect or are affected by the success of the firm's aims.
- C. Issues management. After identifying the firm's motivating principles and learning about the identities, connections, and power of stakeholders, it is possible to identify the key difficulties that the company faces for each of its stakeholders.
Often these issues are drawn from a number of stakeholder dialogues that the company has with its major stakeholders

III. Level of outcomes

Hopkins (2003) again identified there, are three main categories:

- a) Internal stakeholder effects are those that affect stakeholders within the firm. An assessment of these could reveal how a corporate code of ethics influences the firm's daily decision-making in terms of social responsibility.
- b) External stakeholder effects. Concerns about the effects of corporate activity on individuals or groups outside the company.
- c) External institutional effects refer to the impact of a company's actions on the greater institution rather than a single stakeholder group; for example, several environmental disasters increased public awareness of the impact of a company's actions on the general population.

2.1.11 Organizational Performances

According to Radipere and Dhliwayo, (Brooks, Chris, 2008) business performance is described as how well an organization is accomplishing its objective. The ability of a company to achieve its goals and those of its primary stakeholders can also be used to explain how well it performs (Talbot, 2010). Organizational Performances Performance has also been viewed from various perspectives depending on the objectives and expectations of the users of information generated. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives (Chemwile, P. , 2017). It's crucial to remember that the moment any company can meet its own obligation, the workers will be forced to put out their best effort, which will effect the firm's output and enhance its profit (Carton, R.B.; Hofer, C.W. , 2006). Generally, performance is also used as a general measure of a firm's overall health over a given period of time and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Eyasu, A.M.; Endale, M., 2020).

Competitive Advantage and Profit Maximization: In this broad scenario, CSR activities are frequently intended strategically to give a business a competitive advantage over rivals in an industry.

A number of topics relate to this area of focus, including: the supply and demand theory of the firm, base of pyramid approaches, a natural resource-based view of the firm, including stakeholders for competitive advantage (Crane et al., 2008).

A Resource-Based View: CSR as an intangible dynamic resource This is the application of the corporate social responsibility (CSR) as an intangible dynamic resource, its application in the formulation of marketing strategies and its association with business performance. The resource-based view of the firm emphasizes that for an organization to achieve its objectives, it needs to structure its internal capabilities to match the conditions of the external environment. The appropriate composition of productive resources may enable the firm to operate effectively within the specific target market of choice and for the specific type and magnitude of value (objectives) it is aiming to create. It needs to develop its unique and sustainable competitive advantage. (M Taghian, A Resource-Based View of the Firm, 2008).

A company's resources can be tangible, intangible, or its capabilities. Tangible resource can easily be acquired by competitors in the market and are less advantageous in terms of competition while intangible resource can't easily be acquired by competitors due to their nature. With this regard CSR strategy can be considered as a core intangible dynamic resource within the resource-based view of the firm (RBV). It can provide a general framework for decisions regarding the design and adoption of other organizational resources that collectively characterize their marketing approach and direction. (M Taghian, 2008)

The key assumptions in the development of this model are that: (M Taghian, Corporate Social Responsibility: A Resource-Based View of the Firm, 2008)

- A company's reputation plays a significant role in determining its standing in the society it seeks to serve.
- The reputation of an organization influences its level of success in achieving its business performance objectives.
- A CSR strategy may contribute to a positive corporate reputation.
- A CSR strategy can influence business performance.
- CSR is a core intangible dynamic resource. When adopted as a business strategy, CSR, potentially, provides a framework for the selection and adoption of other tangible and intangible organizational resources (RBV).

Organizational Commitment:- CSR enhance the corporation's importance, a socially committed or ethical climate is capable of lessening workplace alienation and increasing loyalty and identification with the corporation, and thereby rendering employees more committed to the interests of the organization (Aras, G., & Crowther, D., 2008).

Corporate behavior: - Aras and Crowther (2008) define corporate behavior is an important for company success both financially and concerning the relationship between corporate and business interests (stakeholders). It involves adherence to the law, moral principles, and notions of social duty.

Corporate citizenship (CC) It is defined as meaningful philanthropic and additional social deeds to the community. In principle, CC is therefore a discretionary responsibility, beyond what is expected of business establishment, and possible partnership of the corporation in the community (Moon, Crane & Matten, 2005). Maxfield (2008) stated that the concept of CC includes social responsibility, responsiveness, and performance.

Cost and Risk Reduction: A number of areas of inquiry typify this general approach to building a business case for CSR, including: the trade-off hypothesis, the available funds hypothesis or slack resources theory, and enlightened value maximization (Crane, A., Matten, D., & Moon, J., 2008) Each of these hypotheses can be regarded as symbolizing a view of value creation as some form of trading interests among social, environmental, and economic concerns.

Reputation and Legitimacy: The business case built on this domain is geared on exploiting CSR activities to enable value to be built through gains in organizational reputation and legitimacy. Corporations may also justify their CSR initiatives on the basis of creating, defending, and sustaining their legitimacy and strong reputations. A firm is perceived as legitimate when its activities are congruent with the goals and values of the society in which the business operates. In other words, a business is perceived as legitimate when it fulfills its social responsibilities. Frames of inquiry associated with this view include license to operate, social impact hypothesis, cause related marketing, and socially responsible investing (Crane et al., 2008).

Standard of Living Perspective: - A community's standard of living refers to the quantity and quality of material goods and services available to them. Wages, gross domestic product (GDP),

life expectancy, employment, sanitation, energy, housing, economic opportunity, and access to water and plumbing are examples of basic material components in a community.

Health Perspective and Community Development: - Health refers to a condition of physical, mental, and social well-being that is free of disease and infirmity.

It contains a dimensional element of health knowledge, nutrition, and healthcare options and is at the level of an organization's functional and/or metabolic efficiency.

Education Perspective and Community Development: It's a method for making learning, or the acquisition of knowledge, skills, attitudes, attitudes, and habits, easier. Teaching, training, storytelling, conversation, and focused study are all examples of educational practices. The measure of education in the community involves children enrollment and years of schooling, school experience, quality education and student performances are the main in community development (Kemmis, S., & Smith, T. J. , 2008)

Sustainable development Crane and Matten (2007) states that since the new challenges of globalization has emerged a lot of focus has been direct towards the development of ways to addressing problems related to business diverse impact in society.



Figure 2. 6: Sustainable development Source: Adapted from Schaltegger et. al. (2003)

2.2 Empirical Reviews

CSR standards include philanthropic, ethical, legal, and economic accountability. They also cover the other aspect of community development, including requirements for improving people's living conditions, their health, and their access to education. Thus, on the basis of these standards, empirical studies of the studies are summarized and presented including CSR type's/adoption, triple bottom (p) line, stakeholder theory, ethical theory, carol pyramid and

community development elements such as living standards, health, and education. The empirical of this study will identify the relationship between corporate social responsibility practice and community development.

According to (Rendtorff, J. D. , 2019) the relationship between CSR and community development was that the company's continued commitment to act ethically and contribute to economic, environmental, legal, and philanthropic while improving the quality of life for its workers and their families, as well as the local community and society as a whole.

Morton et.al (2011) suggested that CSR was believed to positively affect the customer corporate image and CSR strategies become effective for contributing to community development through stakeholder's approach collaborative. According to (Rahmawati, P. I., Jiang, M., & DeLacy, T. , 2019) CSR practice had significant indirect and positive impact on community development indicators such as infrastructure of housing, education, health, and water supply. CSR is able to foster community adaption which fits assertion on communities 'ability to absorb, react to, and regain from interference (Morton et. al, 2011).

The relationships of CSR and community development was that CSR encourages companies to consider the interests of the community by providing social infrastructure such as education, health, roads, water supply in the area of the corporation as a way impacting them positively (Masum, A., Hanan, H., Awang, H., Aziz, A., & Ahmad, M. H. , 2020) (Boadi, E. A., He, Z., Darko, D. F., & Abrokwah, E. , 2018) reported that CSR activities lead to good working relationships among groups in different communities and improve the community connections. (Close, K. , 2011) studied that CSR practice had a Positive significant and indirect relationships with community development in its commitment and obligation of a corporation to leverage natural resources that can provide quality of life, economic benefits, and well-being for workforces. The relationships between CSR and community development standing from the concept of CSR had a universal acknowledged and as a best practice and forward-looking policy frame through which corporation may have positive impact and add values to their local communities (Masum,Aziz, & Ahmad, 2020).

Local researchers such as Mikielle Mengesha (2019) has carried out his thesis on the topic "Analyzing the practice of Corporate Social Responsibility in Mughher Cement Factory, in relation to strategic public relations" The overall findings of Mughher Cement Factory CSR have

strong points with few limitations. The factory performs different activities to fulfill corporate social responsibility of the surrounding kebeles. It supports the community on human and environmental protection, and social supports.

Dunay, A.; Ayalew, A.; Abdissa, G (2021) conducted the Determinant Factors of Organizational Performance: Case of Dangote Cement Factory in Ethiopia. The study showed that philanthropic activities, ethical activities, and legal activities affect organizational performance, have a positive relationship, and are statistically significant at a 1% confidence interval. It was concluded that for the existence of business industries, the community relation is key to ensuring a conducive atmosphere for the business to succeed.

Summary of empirical Research Gaps

- ✚ Strategic CSR has been the subject of numerous research on a variety of dependent variables, including community development and organizational performance. Ethiopian organizations have received little attention despite the many research on CSR.
- ✚ Those enquiries are focused on the generic situation of CSR. Others still focused issues that are related to CSR but most of them are restricted to large corporations called multinational corporations. There hasn't been much investigation into how CSR is applied in various business sectors in Ethiopia.
- ✚ In Ethiopia, even if some research has conducted a research on the impact of CSR on organizational performance and the researcher can state that no researchers have conducted their research on the cement industry.
- ✚ These research findings, however, are very few. Even those published articles focusing on Ethiopian firms consider determinants of CSR on community development for financial sectors rather than to CSR on cement industry.
- ✚ The majority of research focuses on the factors that influence CSR on a specific variable, such as social, environmental, philanthropic, or legal. While the purpose of this study is to assess the impact of corporate social responsibility on organizational performance in the case of Derba Midroc Cement PLC in Addis Ababa, Ethiopia, by taking into account the inclusive independent CSR responsibility (I.e., philanthropic, Legal, ethical, and economic).

2.3 Conceptual Framework

The conceptual framework proposes those CSR adoption/types as independent variables there are philanthropic, ethical, legal, and economic responsibility and organization performance. The conceptual framework proposes that corporate social responsibilities have an effect on organization performance.

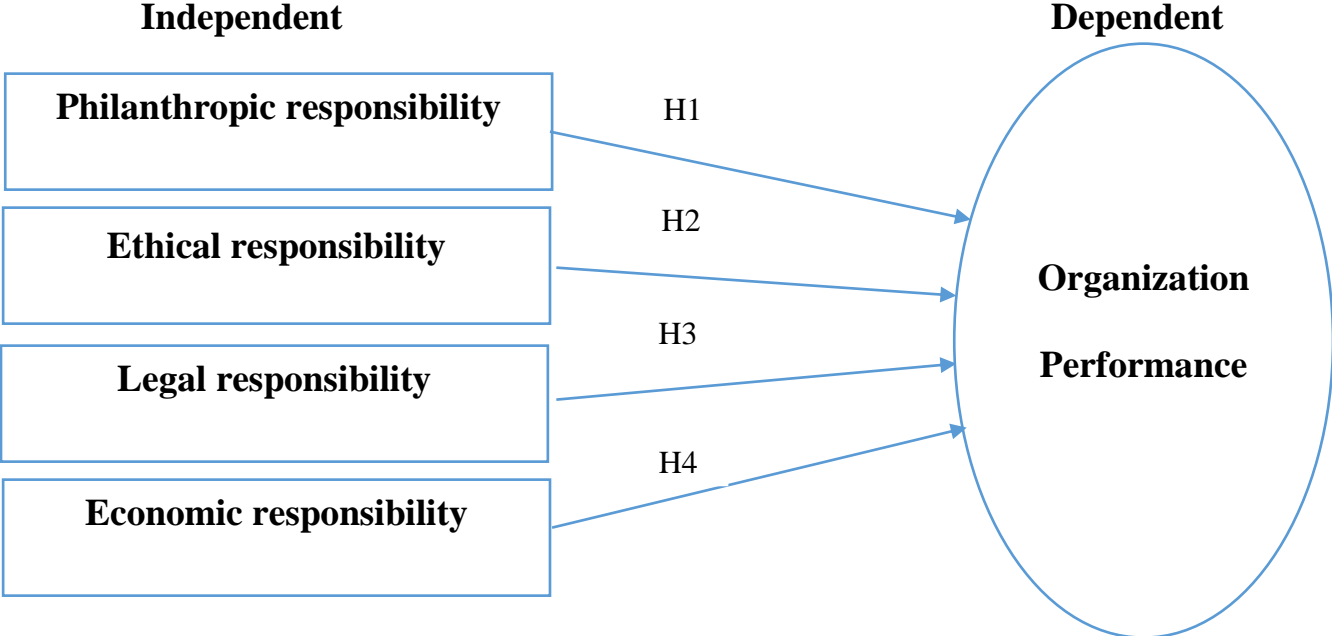


Figure 2. 7: Conceptual Framework on the Study

Source: own work based on Carroll, (2016.)

CHAPTER THREE

RESEARCH METHODOLOGY

Research methods are the procedures and techniques used to gather and analyze research data. Examples of research methods include questionnaires, observations, interviews, and statistical and non-statistical techniques (Saunders, M., Lewis, P., & Thornhill, A. , 2009). This chapter discussed and covered the following topics: research design and approach, study population and sampling techniques, data source, data collection, and data analysis method, validity and reliability instrument, reliability analysis, and ethical considerations.

In addition, this chapter discussed research design, sampling procedures, data sources, data collection tools, and data analysis.

3.1 Study Site

The study was conducted at Derba Midroc Cement PLC head office located in Addis Ababa Nani building around Stadium. Derba Midroc Cement Factory is located 70 km north of Addis Ababa, inaugurated on February 05, 2012. It involves mining the Derba-Mugher limestone deposit of 165 million tons of limestone and treating it in a cement plant. The plant has a capacity to recover 5,600 tons per day of clinker and 7,000 tons per day of cement as a finished product, for an annual production of 2.5 million tons. The deposit has an estimated project life of 60 years. Currently Derba Midroc Cement is working numerous social responsibilities activities mainly health centers, access roads, water points and providing microfinances to the local community with a revolving fund with over 25 million birr.

3.2 Research Design

The purpose of this study is to assess the effect of Corporate Social Responsibility on Organizational Performance: In the Case of Derba Midroc Cement PLC in Addis Ababa. The design of the study was deployed both descriptive and explanatory research types. The explanatory design was used to examine the relationships and effect between CSR dimension and organization performance. It aids to conduct correlations and regressions between independent and dependent variables. Explanatory studies are studies that show relationships between variables to explain certain problems or events (Saunders, 2009).

Furthermore, the researcher also used a descriptive research design to describe and investigate the impact of CSR on organizational performance. As a result, this research design method aids in clearly describing relevant aspects of the phenomenon of interest about a specific individual, group, or situation. (Sekaran, 2003).

3.3 Research Approach

The study is focused the effects of CSR on organization performance. Thus, this research were based on quantitative research method which deals with use of statistical tools and numbers to address the previously mentioned research questions and to test the constructed hypotheses. Quantitative approach is a formalistic and a structured way of collecting data. Quantitative methods are characterized by measurable data, which can be expressed in numbers or other quantities. This gives a basis for the presentation of frequencies, distributions, correlations and regressions (Muijs D., 2004) to have a clear and scientific view on the opinions by having them on questionnaires. In some extent, the researcher used qualitative approaches that addresses through interview.

3.4 Sampling Design

3.4.1 Target Population

As per the information from Human Resource Department of Derba Midroc Cement Factory, the company has a total of 889 permanent employees as of June 2022. In addition, out of the mentioned total number, the target population for this study is 425 employees who are currently working at corporate social responsibility, Finance and accounts, Human resource, Marketing & Sales and Factory (Cement mill, packaging & loading) departments.

3.4.2 Sampling Technique

A stratified simple random sampling technique was used for the study. Stratified probability sampling technique according to (Fienberg, 2003), is a technique which attempts to restrict the possible samples to those which are less extreme by ensuring that all parts of the population are represented in the sample in order to increase the efficiency (that is, to decrease the error in the estimation). The researcher chooses this technique because employees are selected from different departments based on their relevance to the study.

3.4.3 Sample Size

The sample size is the number of people chosen to represent the entire population, and the study used a representative sample size to ensure statistical validity.

In order to obtain the largest sample size possible for this study, the sample size was calculated using the formula below formula (Yamane, 1967).

Sample Size formula

$$n = \frac{N}{1 + N(e)^2} \dots \dots (1)$$

Where

n = is desired sample size,

N = it is target population,

e = margin of error

To get, the desired sample, the calculation is. $n = \frac{N}{1 + N(e)^2}$,

$$n = \frac{425}{1 + 425(0.05)^2} \dots \dots n = 206$$

The sample size for the study is 206 employees from the target population, with a 5% margin of error. As a result, even though the population was far away, the study's sample size of 206 is sufficient to represent the target population of the study area.

Table 3. 1: Sample size of the study (Proportional Stratified)

Sample Size				
Selected organization department		Number of employees	Proportion of samples	Sample size
Departments	CSR	14	(14/425)*206	7
	Marketing & Sales	36	(36/425)*206	17
	Factory	324	(324/425)*206	157
	Human resource	16	(16/425)*206	8
	Finance & Accounts	35	(35/425)*206	17
	Total	425		206

Source: From *HRM of the organization, 2023 and own construct.*

3.5 Sources of the Data

3.5.1 Primary Sources

Primary data was provided by the company's targeted and permanent employees. To collect primary data, the researchers used a self-administered structured questionnaire, as primary data is essential for the study because it is the only way to learn about the company's practices and performance from the responsible personnel; otherwise, there would be insufficient data to draw a conclusion.

In addition, questionnaire was as an instrument to ask the same question to everyone in the sample.

3.5.2 Secondary Sources

It is critical to have enough data to compare and contrast the necessary relationship CSR and the performance of the organization. Secondary data was gathered from organization annual report such as financial report, published books, journal research papers, and other relevant materials.

3.6 Data Collection Instruments

The student researcher essentially uses a questionnaire as an instrument to ask the same question to everyone in the sample. It is the primary tool for gathering information from study participants through self-administered questionnaires. Questionnaires were chosen over other tools because they are the quickest way to collect information from a diverse group of people. (Kothari, 2004). The questionnaire was closed-ended and asked questions on a five-point Likert scale.

3.7 Data Collection Procedure

A pilot survey was conducted prior to the full survey to identify any weaknesses (if any) in the questionnaires techniques by distributing the questionnaire to three respondents and attempting to differentiate the ambiguous question from the majority of respondents.

The researcher then distributed the questionnaire to all respondents, giving those two weeks to complete it. The researcher has provided his personal contact information in order to assist respondents with any issues they may encounter while completing the questionnaire. After weeks, the researcher collected the data and immediately checked its completeness; a few respondents did not fill out a form for a specific day. However, the researcher followed up with

respondents that fail to ensure that they completed the form correctly. Because the questionnaires were hand-delivered to the respondents, there was frequent phone follow-up, which resulted in a high response rate (91 percent).

3.8 Data Analysis and Methods

The collected data was screened for missing values that could cause problems with the research analysis. Using descriptive and inferential statistics, the relationship between the independent variables (philanthropic, Ethical, Legal and Economic CSR) and the dependent variable was then assessed (Organization performance). The descriptive statistical analysis was presented in the following formats: frequency, mean, and standard deviation. Correlation, ANOVA, and multiple regression were used to investigate the relationships between the variables.

The analysis techniques or presentation method are depicted in both the table and the figure. The coefficient value was investigated to determine the significance of the relationship between the dependent variable and each independent variable. The data was analyzed using the Statistical Package for Social Science (SPSS 23).

The questionnaire's statements were all rated on a 5-point Likert scale (strongly agree, agree, neutral, disagree, and strongly disagree). This scale was given numbers: strongly agree = 5, agree = 4, neutral = 3, disagree = 2, and strongly disagree = 1. Instruments that are accurate and efficient in calculating these constructs are critical components of the research standard (Kimberlin, C. L., & Winterstein, A. G., 2008).

3.9 Validity and Reliability

Validity is the extent to which a measuring instrument on application performs the function for which it was designed. Onunkwo (2002) defines validity as the degree to which the instrument measures the qualities, abilities, skills, traits, information, etc it was designed to measure. Among the types of validity (content, construct, predictive, face, criterion related, etc), content validity test was applied. This is because it ensures full exploration of various aspects of the study and adequate coverage of a good representation of each dimension of the study. The questionnaire therefore passed through the scrutiny of the researcher's advisor to ensure content validity, i.e. appropriateness of language usage, relevance to the subject matter, objective of the study and coverage of the content areas.

Reliability refers to the extent to which results are consistent over time and an accurate representation of the total population under study. If the results can be reproduced using a similar methodology, the instrument is trustworthy. According to Kothari (2004), reliability is the consistency of the measuring instrument's results. Saunders defines reliability as a consistent finding of a data collection technique, analysis, or procedure (2009). The Cronbach's alpha test was used to perform the reliability analysis in SPSS. This is done primarily to examine the internal consistency of the collected data. Cronbach's alpha coefficient was calculated for each variable in the reliability test.

Cronbach's alpha reliability coefficients typically range from 0 to 1. The closer Cronbach's alpha is to 0, the lower the internal consistency of the scale's items, and the closer Cronbach's alpha is to 1.0, the higher the internal consistency of the scale's items.

Therefore, the Cronbach's alpha coefficient for each item was tested, based on (George, D., & Mallery, P., 2003) rule of thumb, a Cronbach's alpha coefficient greater than 0.7% is good. (>70%).

Table 3. 2. Main Data collection tool Reliability Statistics/Cronbach's Alpha Value

No	Variables	Cronbach's Alpha Value	Number of items
1	Philanthropic Responsibility	.881	8
2	Ethical Responsibility	.898	8
3	Legal Responsibility	.859	7
4	Economic Responsibility	.863	6
5	Organization Performance	.950	9

Source: own computation from survey data (2023)

As shown in the table above, the Cronbach alpha for all five variables exceeded 0.7. According to the literature, this confirmed the internal consistency of the research instrument. As a result, no redundant items were discovered.

3.10 Ethical Consideration

Ethics are behavioral norms or standards that guide moral decisions about our behavior and our interactions with others. The goal of research ethics is to ensure that no one is harmed or suffers negative consequences as a result of research activities (Cooper & Schindler, P.S., 2006). Everyone has the right to decline participation in a marketing research project in which they provide data.

Researchers have the right to be safe, both physically and psychologically. While a respondent is rarely physically harmed, he or she is frequently placed in a physiologically hazardous situation.

Individuals may experience stress when an interviewer pressures them to participate in a study.

CHAPTER FOUR

RESULT AND DISCUSSION

This chapter is divided into three sections that describe the results of an analysis of data collected from questionnaire respondents. The first section covers demographics, the second covers descriptive data, and the final section covers inferential analysis (correlation and regression). The study's target population is the permanent employees of the companies. A total of 206 samples were determined, and questionnaires were distributed. However, the researcher only received 187 responses.

4.1. Response Rate

The study focused on 425 employees who are currently working at corporate social responsibility, Finance and accounts, Human resource, Marketing & Sales and Factory (Cement mill, packaging & loading) departments. In addition, the researcher sampled 206 employees, with 187 (91%) filling out and returning questionnaires. However, for a variety of reasons, 19 (9%) questionnaires were not collected. The main reason for uncollected questionnaires was the inaccessibility of the location and they were busy. This being an 85% response rate was considered sufficient for analysis (Maxfield, M. G., & Babbie, E. R. , 2014). SPSS version 23 was used to code and analyze the completed questionnaires. This software program was used to analyze the data. Descriptive statistical analysis is used to summarize frequencies, means, and standard deviations from large amounts of data. The data collected for each question and respondent were summarized using descriptive statistics, and the data was analyzed using regression and correlation analysis with the assistance of SPSS.

With regard to respondent rate of item from the total questioner items, nearly all items (99.9%) are replied by respondents. This validates the fact that no significant data is missed due to incompleteness because the researcher was used self-administration for each respondent. For more reliability of the data, cases with the missing variables are excluded (not considered) from the SPSS processing throughout the analysis.

4.2. Demographic Data

The study attempted to determine demographic data in the following variables, as shown in the table below, using a total of 187 returned questionnaires.

The frequencies were used to determine how frequently respondents responded to questions, allowing for general information about the collected data to be analyzed. Questionnaires have been distributed to various participants involved in CSR activities.

Table 4. 1: Demographic respondents

Variable	Category	Frequency	Percent
Sex of respondents	Male	139	74.3
	Female	48	25.7
Age of respondents	≤30	48	25.7
	31-40	114	61.0
	41-50	21	11.2
	>50	4	2.1
Educational level of respondents	Certificate	2	1.1
	Diploma	39	20.9
	Degree	129	69.0
	Masters	17	9.1
Work experience	1-5 years	48	25.7
	6-10 years	93	49.7
	11-15 years	41	21.9
	Above 16 years	5	2.7
Marital Status	Married	116	62.0
	Unmarried	66	35.3
	Other	5	2.7
Department	CSR	6	3.2
	Marketing & Sales	17	9.1
	Factory	140	74.9
	Finance & Accounting	16	8.6
	HRM	8	4.3
Total		187	100%

Source: own computation from survey data (2023)

As we can see from Table 4.1 above, 139 (74.3%) of the respondents were Male, and 46(25.7%) were Female respondents. This may imply that the gender proportion in Derba Midroc Cement Factory is not proportional may due to working environment. In addition, the majority of the respondents are in the age group of 31-40 years of age which accounts 114 (60%) from the total

respondents followed by age group of less than 48 (25.7%) and the remain respondent are above 40 years i.e. 21 (13.3%). From this, we can conclude that largest proportion of respondents in the factory are young. This young age can create and success in CSR business.

Regarding with their educational level of the respondents, 129 (69%) of the respondents are Degree holder, 39 (20.9%) of the respondents are Diploma holder and 17 (9.1%) of respondents are master holder and 2(1.1%) were certified. this might imply that the majority of respondents are capable for the growth of cement sector. Since education increases access to information and better utilization of resources, it is expected that the business would provide better benefit when owners are found having in higher education status. This could also imply that the majority of respondents are qualified for company-selected positions.

Regarding with respondents work experience in their organization and it indicated that the majority 93(49.7%) of them have 6-10 years of work experience.48 (25.7%) of the respondents have 1-5 years of work experience. 41 (21.9%) of the respondents have 11-15- years of work experience and the remain 5 (2.7%) of the respondents have greater than 16 years of work experience in the organization. This indicates experienced employees might have positively contribute for the growth of CSR in the organization.

Regarding their working department, the majority of the respondents 140 (74.9%) are working in factory department, 17(9.1%), are under Marketing & Sales 16 (8.6%) are under Finance and accounts, 8 (4.3%) and 6 (3.2%) of respondents are working in HRM and CSR. So this implies the majority of employees of the company are working in Factory (Cement mill, packaging & loading) departments. In addition, 116 (62%) married employees helps for the organization performance through different CSR responsibility as it is expected the married employees are more responsible than unmarried.

4.3. Descriptive Analysis

Respondents' perceptions of the effect of the CSR on organization performance. The mean and standard deviation were computed for each of them.

The mean represents the average value, and the standard deviation indicates how far the values deviate from the mean. Respondents were asked to rate the effect of CSR on organization performance in Derba Midroc Cement Factory and a five-point Likert scale type ranging from 1

to 5. (1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree), and the analysis of the mean score is based on the below researcher assumptions.

Table 4. 2: Mean Score decision rule

Mean Score	Interpretation
1.00-1.80	Strongly Disagreed
1.81-2.60	Disagreed
2.61-3.20	Neutral (Neither agreed not disagreed)
3.21-4.20	Agreed
4.21-5.00	Strongly Agreed

Source: Lind DA, Marchal WG, Wathen SA (2003)

According to (Lind DA, Marchal WG, Wathen SA, 2003) assumptions, the mean 3.0 as it was tried to show on the above paragraph is to be seen as measuring neutrality on the variables those needed to be tasted. The standard deviation was used to indicate and show the variation from the mean. The lower the standard deviation the level of the employee made on agreement. The higher the standard deviation indicates the employee made a disagreement on the issue raised.

4.3.1. Philanthropic Responsibility on Organization Performance

Eight questions were asked in order to analyze Philanthropic Responsibility on Organization Performance. In addition, the result is shown in table 4.3 below.

Table 4. 3: Philanthropic Responsibility on Organization Performance

Variables	N	Mean	Std. D
Derba Midroc Cement offers financial aid services to the local community	187	3.31	1.159
A program is in place to reduce the amount of energy materials waste to the society.	187	3.56	1.053
The Cement provide quality services and goods to the society.	187	3.74	1.168
The corporations' environmental impact in terms of protection of the natural environment is considered.	187	3.80	1.026
Derba Midroc Cement is providing appropriate environment to the local community (e.g. Suitable housing etc.)	187	3.44	1.093
Top management encourages employee to actively participate in CSR practices.	187	3.18	1.153
The organization ensures that all products meet the required safety and environmental standards.	187	3.76	1.000
Derba Midroc Cement assists to enhance quality of life in the local society (Access roads, health centers, clean water etc.).	187	3.91	1.025
Average Mean		3.59	1.08

Source: own computation from survey data (2023)

Table 4.3 depicts the various questions the majority of respondents were agreed for all addressed questions for philanthropic CSR responsibility. According to (Lind DA, Marchal WG, Wathen SA, 2003) mean score assumptions (3.21-4.20). This implies that the organization is paying attention Philanthropic activities involve the corporation's readiness to improve the quality of living for their stakeholders (i.e., employees, local community, and society) through charitable donations and organizational provision. Thus, the philanthropic activity was measured by the company's provision to society. On the same table, the student researcher, asked respondents whether the Top management encourages employee to actively participate in CSR practices or not. The majority of the respondents were neither agreed nor disagreed, with mean values of 3.18.

This implies that even if top managements are not actively encouraging their employees in CSR, employees are ready and committed for Philanthropic activities of CSR.

The overall mean for the Philanthropic activities was discovered to be 3.59, indicating that the majority of respondents agreed on its influence on organization performance. It implies that Philanthropic activities has a positive impact on organization performance in Midroc Cement Factory. Moreover, standard deviation, which ranges from 1.000 to 1.168, which indicates it, was a big variation. As it shows there is a spread of ideas of the respondents, we can say that respondents were agreed in similar ideas but significant number of variations of that deviate from the mean value.

4.3.2. Ethical Responsibility on Organization Performance

Eight questions were asked in order to analyze Ethical Responsibility on Organization Performance. In addition, the result is shown in table 4.4 below.

Table 4. 4: Ethical Responsibility on Organization Performance

Variables	N	Mean	Std. D
The Cement is operating its business within the ethical standards of the society.	187	3.57	1.163
The Cement encourages freedom of association of workers.	187	3.59	1.035
The Cement strives to deliver high value and a quality product that meets and/or exceeds customers' expectations.	187	3.86	0.976
Derba Midroc Cement provides enough training to employees to create awareness about unethical behaviors.	187	3.20	1.159
Derba Midroc Cement take prompt corrective action against any undesirable behavior and work to create such a corporate culture.	187	3.52	1.049
Derba Midroc Cement monitor potential negative impacts of activities on the community.	187	3.64	1.050
The organization has adequate procedures against discrimination (e.g., women, diversity, and ethnic group).	187	3.87	0.977
Derba Midroc Cement management nurtures stakeholders dialogues on CSR practices	187	3.40	1.104
Average Mean		3.58	1.06

Source: own computation from survey data (2023)

Table 4.4 depicts the various questions the majority of respondents were agreed for all addressed questions for ethical CSR responsibility. According to (Lind DA, Marchal WG, Wathen SA, 2003) mean score assumptions (3.21-4.20). This implies that organization is paying attention for ethical activities involve the corporation's readiness to considered as "right or fair" in the eyes of society. Thus, the ethical activity was measured by how the organization was viewed in the eyes of the society with regard to its fairness.

On the same table, the student researcher, asked respondents whether the organization provides enough training to employees to create awareness about unethical behaviors or not. The majority of the respondents were neither agreed nor disagreed, with mean values of 3.20. This implies that there is some gaps about enough training to employees to create awareness about unethical behaviors and the company should focus attention for training specially related with unethical behaviors. In addition, if the company changes unethical to ethical behavior, the organization are going to growth either financially or non- financially performance.

The overall mean for the Ethical activities was discovered to be 3.58, indicating that the majority of respondents agreed on its influence on organization performance. It implies that Ethical activities has a positive impact on organization performance in Midroc Cement Factory.

Moreover, standard deviation, which ranges from 0.976 to 1.163, which indicates it, was a big variation. As it shows there is a spread of ideas of the respondents, we can say that respondents were agreed in similar ideas but significant number of variations of that deviate from the mean value.

4.3.3. Legal Responsibility on Organization Performance

Seven questions were asked in order to analyze Legal Responsibility on Organization Performance. In addition, the result is shown in table 4.5 below.

Table 4. 5: Legal Responsibility on Organization Performance

Variables	N	Mean	Std. Deviation
Derba Midroc Cement complies with the environmental laws, rules, and regulations to promote environmental protection.	187	4.03	0.975
Derba Midroc Cement include the aspect of respecting human rights in its code of conduct.	187	4.02	1.003
Derba Midroc Cement follows all the terms and conditions of the society.	187	3.94	0.968
Derba Midroc Cement provide internal standards, polices and contexts not regulated openly by current law (e.g., corruption).	187	3.25	0.918
Derba Midroc Cement provides goods and services that go far beyond minimal legal requirements (products security).	187	3.69	0.868
Derba Midroc Cement management encourages positive incentives in the organization.	187	3.33	1.185
Derba Midroc Cement provides equal opportunities assured for all workers without bias.	187	3.52	1.114
Average Mean		3.68	1.00

Source: own computation from survey data (2023)

Table 4.5 depicts the various questions the majority of respondents were agreed for all addressed questions for Legal CSR responsibility. According to (Lind DA, Marchal WG, Wathen SA, 2003) mean score assumptions (3.21-4.20). This implies that organization is paying attention Legal activities involve the corporation’s attempting to be socially responsible that required by society to follow the law. It is a demand that companies act in accordance with existing legislation and regulatory requirements and legal activity in this study was measured by how the

company is committed to the existing legislation and regulatory requirements of corporate social responsibility.

The overall mean for the Legal activities was discovered to be 3.68, indicating that the majority of respondents agreed on its influence on organization performance.

It implies that Legal activities has a positive impact on organization performance in Midroc Cement Factory. Moreover, standard deviation, which ranges from 0.868 to 1.185, which indicates it, was a big variation. As it shows there is a spread of ideas of the respondents, we can say that respondents were agreed in similar ideas but significant number of variations of that deviate from the mean value.

4.3.4. Economic Responsibility on Organization Performance

Six questions were asked in order to analyze economic Responsibility on Organization Performance. In addition, the result is shown in table 4.6 below.

Table 4. 6: Economic Responsibility on Organization Performance

Variables	N	Mean	Std. Deviation
Derba Midroc Cement monitors employee productivity.	187	3.55	1.108
Derba Midroc Cement monitors the interaction between corporation and their clients.	187	3.51	1.034
Derba Midroc Cement let its customers to access information about its products.	187	3.35	1.033
The Cement strives to improve the quality of its products.	187	3.83	0.844
The Cement deliver finished products fairly to its customers.	187	3.13	1.182
The Cement reduce wastage of construction material.	187	3.34	1.164
Average Mean		3.45	1.06

Source: own computation from survey data (2023)

Table 4.6 depicts the various questions the majority of respondents were agreed for all addressed questions for Economic CSR responsibility. According to (Lind DA, Marchal WG, Wathen SA, 2003) mean score assumptions (3.21-4.20). This implies that organization is paying attention Economic activities that indicating economic value added ‘statements Economic entities designed to provide goods and services to societal members. Companies need to generate profit for the sake of sustained existence by enhancing the life of the company and its employees. If a company profits more, it can afford for corporate social responsibility activities. On the same

table, the student researcher, asked respondents whether Derba Midroc Cement deliver finished products fairly to its customers or not. The majority of the respondents were neither agreed nor disagreed, with mean values of 3.18. This implies that the company should make affordable and accessible for their finished product to its customer such as cements.

The overall mean for the Economic activities was discovered to be 3.45, indicating that the majority of respondents agreed on its influence on organization performance. It implies that Legal activities has a positive impact on organization performance in Midroc Cement Factory. Moreover, standard deviation, which ranges from 0.844 to 1.182, which indicates it, was a big variation. As it shows there is a spread of ideas of the respondents, we can say that respondents were agreed in similar ideas but significant number of variations of that deviate from the mean value.

4.3.5. Organization Performance

Organizational Performance: is described as how well an organization is accomplishing its objective. The study was measured based on the sales, market share, customer satisfaction, retention and profit of the firm compared to other competitors. In addition, nine questions were addressed. In addition, the result is shown in table 4.7 below.

Table 4. 7: Organizational Performance

Variables	N	Mean	Std. D
Overall profit level achieved relative to competitors	187	3.48	1.039
Market share achieved relative to competitors after CSR implementation.	187	3.53	1.038
Level of sales growth recorded after CSR implementation.	187	3.52	1.039
Level of customer satisfaction achieved after CSR implementation.	187	3.65	1.034
Level of customer loyalty achieved after CSR implementation.	187	3.55	1.083
Level of corporate image improved after CSR implementation.	187	3.54	0.940
Level of employee satisfaction after CSR implementation.	187	3.55	1.063
Level of employee retention after CSR implementation.	187	3.52	1.064
Share holder satisfaction with financial performance after CSR implementation.	187	3.43	1.000
Average Mean		3.53	1.03

Source: own computation from survey data (2023)

Table 4.7 depicts the various questions the majority of respondents were agreed for all addressed questions for Organization performance. According to (Lind DA, Marchal WG, Wathen SA,

2003) mean score assumptions (3.21-4.20). This implies the CSR practice has important for the growth of organization performance through market share, sales and profit growth, employees and customer satisfaction and retention others stakes financial performance.

Generally, the overall mean for the organization performance was discovered to be 3.53, indicating that the majority of respondents agreed on its influence on organization performance. It implies that CSR activities has a positive impact on organization performance in Midroc Cement Factory. Moreover, standard deviation, which ranges from 0.94 to 1.083, which indicates it, was a big variation. As it shows there is a spread of ideas of the respondents, we can say that respondents were agreed in similar ideas but significant number of variations of that deviate from the mean value.

Table 4. 8: The average means all variables

Variables	N	Mean
Philanthropic Responsibility	187	3.59
Ethical Responsibility	187	3.58
Legal Responsibility	187	3.68
Economic Responsibility	187	3.45
Organization Performance	187	3.53

Source: own computation from survey data (2023)

As shown in Table 4.8, the majority of respondents agreed that all listed CSR responsibility activities (i.e., Philanthropic, Ethical, Legal and Economic) that effect on organization performance and it shows the variables were being positively implemented and increasing the financial and non-financial aspect of the organization. As stated in the literature review section, using, and implementing CSR enable organization to improve their financial performance, Enhance Brand Image and Reputation, Increase sales and customer loyalty, Increase ability to attract and retain employees, Reduce Regulatory oversight and easier access to capital.

From the findings of descriptive analysis, it can be noted that the majority of the respondents strongly agreed that legal responsibilities have positive effects on organizational performance compared this study with the previous research and literature (Asnake, D.T.; Hirpha, D.D.; Ogato, G.S. , 2019) studies CSR on Dangote cement his findings of descriptive analysis, it can be noted that the majority of the respondents strongly agreed that ethical responsibilities have positive effects on organizational performance.

4.4. Inferential Statistics

4.4.1. Normal Distribution

Skewness and kurtosis are used for regular delivery tests. Skewness measures the distribution tilt that can tilt either to the right or to the left. Within +2 and -2 the normal range is. On the other hand, kurtosis measures the Preakness or flatness, and it can be considered normal when it is between +3 and -3 (Garosn, D.G., 2012) Considering the normal distribution, the figures show that both Skewness and kurtosis are not a concern in this analysis, as they are both within the given range.

Table 4. 9: Normal Distribution

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Philanthropic	187	-0.767	0.178	0.365	0.354
Ethical	187	-0.607	0.178	-0.019	0.354
Legal	187	-0.936	0.178	0.802	0.354
Economic	187	-0.692	0.178	0.817	0.354
Organization Performance	187	-0.750	0.178	0.272	0.354
Valid N (list wise)	187				

Source: own computation from survey data (2023)

4.4.2. Correlation Analysis

The correlation test determines the strength of the relationship or association between the variables under consideration. Pearson's correlation was used to investigate the interrelationships between variables, and the coefficients of interrelationships (r) were calculated using the moment of Pearson's product. The dependent variable (Organization performance) and the independent variables were correlated (Philanthropic, Ethical, Legal and Economic).

The correlation's significance level was measured at 5% and 1%, and the correlation result was interpreted using (Somekh, B., & Lewin, C. (Eds.), 2011) criterion for evaluating the magnitude of a correlation, as shown in table 4.10 below.

As shown in the table below, the correlation coefficient (r) value is used as a cutoff point to classify correlation strength as weak, moderate, or strong. As a result, if the value of " r " is less than or equal to 0.33, the relationship is weak; if it is between 0.34 and 0.66, the relationship is

moderate; and if it is between 0.67 and 0.99, the relationship is strong. (Somekh, B., & Lewin, C. (Eds.), 2011) The table below shows the correlation coefficient for each variable.

Table 4. 10: Correlation Test

Correlations						
		Philanthropic	Ethical	Legal	Economic	Organization performance
Philanthropic	Pearson Correlation					
	Sig. (2-tailed)					
Ethical	Pearson Correlation	.591**				
	Sig. (2-tailed)	0.000				
Legal	Pearson Correlation	.609**	.732**			
	Sig. (2-tailed)	0.000	0.000			
Economic	Pearson Correlation	.613**	.637**	.727**		
	Sig. (2-tailed)	0.000	0.000	0.000		
Organization performance	Pearson Correlation	.581**	.620**	.668**	.723**	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	187	187	187	187	187

** . Correlation is significant at the 0.01 level (2-tailed).

Source: own computation from survey data (2023)

Pearson correlation is used to assess the relationship or degree of association between CSR activities and Organization performance, as shown in Table 4.10 above (2-tailed).

All independent variables are positively and perfectly correlated at the 5% level of P value (i.e., 0.000). The Pearson Correlation shows that the coefficient of correlation (r) between Philanthropic, Ethical, Legal and Economic has a strong relationship with Organization performance, with values of 0.581, 0.620, 0.668, and 0.723, respectively, which are higher than the cutoff point of 0.33 and Philanthropic and Ethical have a moderate relationship with Organization performance. Whereas Legal and Economic have a strong relationship with Organization, performance as Pearson Correlation is above than 66%. (Somekh, B., & Lewin, C. (Eds.), 2011).

4.4.3. Regression Analysis

Linear regression was used to determine the relationship between independent and dependent variables. The effect of the independent variable on the dependent variable was also estimated or forecasted using regression analysis. With a 95 percent confidence interval, the significance level was set at 0.05. Organizational performance was the dependent variable and the independent variables were philanthropic, ethical, legal and economic responsibilities of the organization. The purpose of using regression analysis was to determine the direct impact of corporate social responsibility on the organizational performance.

4.4.4. Common Assumption Test

The following are common linear regression assumption tests performed on this study.

4.4.4.1. Multi Collinearity Assumption Test

When the independent variables are highly interrelated, multi-collinearity occurs. As a result, regression analysis would be difficult because isolating the individual impact of the independent variables on the dependent variable would be difficult. Because further correlation analysis and multiple regressions between dependent and independent variables would be difficult if correlations between independent variables exist, analyzing multi-linearity in SPSS can help determine whether correlations exist. (James, G., Witten, D., Hastie, T., & Tibshirani, R., 2013)

According to Cochran, the presence of multi-collinearity can be detected by examining only the variance inflation factor (VIF) of each explanatory variable (1977). To put it another way, if VIF is greater than 10, the independent variable is interdependent, whereas all variables less than 10 are not. In other words, multicollinearity occurs when the dependent variable is more highly correlated than the independent variables in a regression model. Multicollinearity is determined by the tolerance value and variation inflation factor [VIF] for each dependent variable.

When the tolerance is less than 0.10 and the average VIF is greater than 10, multicollinearity occurs. The multi collinearity test revealed that there was no problem with multi collinearity because the tolerance value for each independent variable was greater than 0.10 and the variation inflation factor was less than 10. As a result, the model was examined to determine whether it was free of this flaw.

Table 4. 11: Multi Collinearity Test

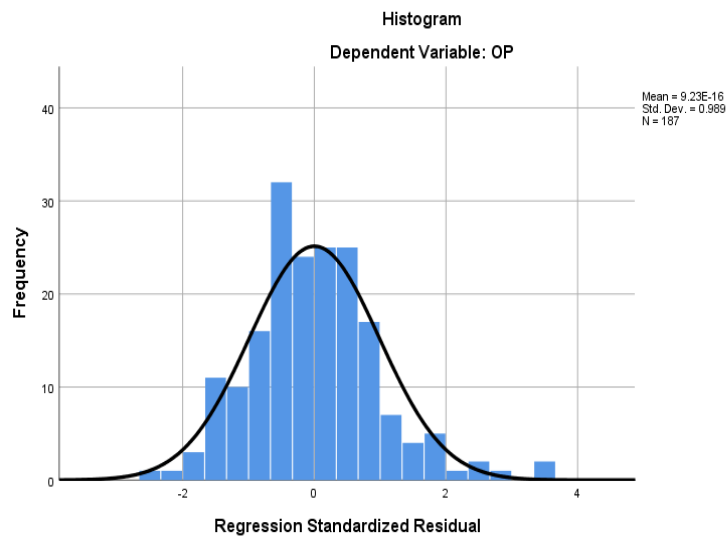
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Philanthropic	0.542	1.845
Ethical	0.421	2.377
Legal	0.340	2.938
Economic	0.415	2.407

Source: own computation from survey data (2023)

The VIF values for Philanthropic CSR, Ethical CSR, Legal CSR and Economic CSR and value for each independent variable was greater than 0.10 and the variation inflation factor was less than 10, indicating that there is no interdependence among independent variables. As a result, the investigation meets the Multi collinearity assumption.

4.4.4.2. Normality Test for Residuals

This study is a test for normality assumption and is offered graphically as follows



Source: own computation from survey data (2023)

Figure 4. 1: Normality Test for Residual

If the residuals are normally distributed, the histogram should be bell-shaped (Bryman, A, 2017)
 As a result of the above figure, the histogram is bell-shaped, implying that the residuals are normally distributed.

4.4.4.3. Autocorrelation Assumption Test

The Durbin – Watson test was used to determine the autocorrelation between observations. The statistic has a value ranging from 0 to 4. A value near 2 indicates that there is no autocorrelation; a value near 0 indicates that there is positive autocorrelation; and a value near 4 indicates that there is negative autocorrelation (Field, 2005)

With a Durbin Watson value of 1.802, which is very close to 2, the assumption of independent error is almost certainly met.

Table 4.12: Autocorrelation Test

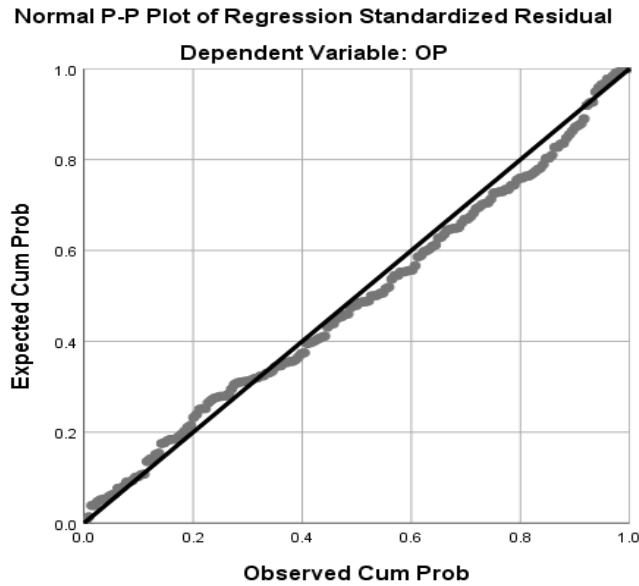
Model	Durbin-Watson
1	1.802
a Predictors: (Constant), Philanthropic, Ethical , Legal and Economic	
b Dependent Variable: Organization Performance	

Source: own computation from survey data (2023)

In this case, the value of 1.802 confirms that there is no autocorrelation, allowing us to conclude that this analysis is correct.

4.4.4.4. Linearity Test

The degree to which a change in the dependent variables is associated with a change in the independent variables is referred to as linearity. The best test for normally distributed error is a normal probability plot of the residuals. The points on such a plot should be close to the diagonal reference line in the case of a normal distribution. As a result, the p-p plot shown in the figure below fails near the diagonal reference line. It also meets the linearity requirements of linear regression.



Source: own computation from survey data (2023)

Figure 4. 2: Normal p-p plot of regression

4.4.4.5. ANOVA Model fit

Table 4. 13: Model fit [ANOVAa]

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.704	4	20.926	65.102	.000 ^b
	Residual	58.501	182	0.321		
	Total	142.205	186			
a. Dependent Variable: OP						
b. Predictors: (Constant), economic, philanthropic, ethical, Legal						

Source: own computation from survey data (2023)

ANOVA (Analysis of Variance) is a method for determining whether or not there is a statistically significant difference between the means of the factors in a study (Kothari C.R., 2004). It is a method for determining the significance of experimental results. In the preceding table, the sig, which indicates whether or not the means of the variables differ significantly, is an important value to consider (table 4. 13). The significance level in the ANOVA analysis is 0.000, indicating that the results are significant.

4.4.5. Regression Result and Discussion

Regression analysis was used in the Organizational performance to examine and investigate strategic factors affecting organizational performance. R2 is a measure of the proportion of dependent variable variance explained by independent or predictor variables (Saccani, N., Johansson, P., & Perona, M. , 2007)

Table 4. 14: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767a	0.589	0.580	0.56695
a. Predictors: (Constant), economic, philanthropic, ethical, Legal				
b. Dependent Variable: Organization Performance				

Source: own computation from survey data (2023)

The model summary is shown in Table 4.14, and it states that Organization Performance is a function of philanthropic responsibility, Ethical responsibility, Legal responsibility and Economic responsibility. According to the above model summary, the independent variables explained 58.9% of the dependent variable.

According to this finding, CSR responsibilities accounted for 58.9 percent of the variance in organization performance. Other factors such as environmental, social and others may explain the remaining 41.1 percent of variance in organization performance.

Table 4. 15: Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.197	0.221		0.892	0.374
	Philanthropic	0.141	0.070	0.129	2.002	0.047
	Ethical	0.151	0.076	0.145	1.985	0.049
	Legal	0.198	0.093	0.173	2.125	0.035
	Economic	0.453	0.078	0.425	5.767	0.000

a. Dependent Variable: Organization Performance

Source: own computation from survey data (2023)

The Effect of philanthropic responsibility, Ethical responsibility, Legal responsibility and Economic responsibility on Organization Performance of Companies is 0.141, 0.151, 0.198, and 0.453 respectively. Based on linear regression analysis, as shown in the table above.

When the weight of the data analysis result and the level of significance are considered, the findings show that Economic responsibility have a greater impact on the organization performance companies.

Assuming all other variables remain constant, this represents a 1% increase in the value of economic CSR activity and a 0.453 percent improvement in the organization performance of companies. The same can be said about other variables.

As a result, we can conclude that philanthropic responsibility, Ethical responsibility, Legal responsibility and Economic responsibility all have statistically significant effects on the organization performance of the company. With a p-value less than 0.05, the value of all variables have a significant effect on organization performance because their p-value was less than 0.05.

The primary objective of this research is to investigate the effect of CSR on the organization performance of Midroc Cement Factory in Addis Ababa, Ethiopia. According to data analysis, philanthropic responsibility, Ethical responsibility, Legal responsibility and Economic responsibility all have a significant impact on company performance with P value of 0.047, 0.049, 0.035 and 0.000 respectively.

4.4.6. Hypothesis Testing

For Hypothesis tests (alternative), the probability value [p-value] for the given test can be used to make a decision, which is as follows: The null hypothesis is rejected if the p-value is less than or equal to a predetermined 0.05 level of significance, and support for the alternative hypothesis is claimed. We cannot reject the null hypothesis and claim support for the alternative hypothesis if the P-value is greater than 0.05.

The researcher then developed four hypotheses to investigate the CSR activities that influencing the organization performance of the company. Determine whether the model is useful for predicting the response based on the Hypothesis analysis at the 5% significance level: This result, and the table below, show a summary of hypotheses findings/results.

Table 4.16: Summary of Hypotheses Testing

Type	Hypothesis	Results	Reasons
Ho 1	Philanthropic responsibility have significant effect on Organization performance	Supported	B=0.141, P <0.05, P-value =0.047
Ho 2	Ethical responsibility have significant effect on Organization performance	Supported	B=0.151, P <0.05, P-value =0.049
Ho 3	Legal responsibility have significant effect on Organization performance	Supported	B=0.198, P <0.05, P-value =0.035
Ho 4	Economic responsibility have significant effect on Organization performance	Supported	B=0.453, P <0.05, P-value =0.00 (P vale is <0.05)

Source: own computation from survey data (2023)

According to previous research and literature (Asnake, D.T.; Hirpha, D.D.; Ogato, G.S. , 2019) studies CSR on Dangote cement, The finding of the study reveals that there is a positive and significant relationship between independent variables (philanthropic activity, ethical activity, and legal activities) and organizational performance with p vale =0.0000. Thus, it can support the hypothesis of the study. His findings also show that a percentage increase in philanthropic activities was lead to a 36.5% increase in organizational performance of the firms; a percentage increase in ethical activity was lead to a 60.3% increase in organizational performance of the firms; and a percentage increase in legal activities was lead to a 57.4% increase in organizational performance of the firms. This means that the most significant variable is ethical activities, followed by legal activities, among the three independent variables. On the other hands, in this study the most significant variable is economic activities.

In addition, in this study the research believe CSR had positive effects on organizational performance in different CSR activities (i.e. Philanthropic, Ethical. Legal and Economic).

According to previous research, Abrham Aydagn 2021, studied The Role of Corporate Social Responsibility Practice on Community Development: The case of housing development Corporation of 40/60 and 20/80 housing program. In addition, his finding shows that CSR had positive effects on organizational performance in different CSR activities (i.e. Philanthropic, Ethical. Legal and Economic).

Therefore, the study results showed that the level of corporate social responsibility (CSR) and Organizational performance is very high. This is consistent with previous studies that

investigated the relationship between and the finding shows there is a significant positive relationship between CSR and organizational performance for Philanthropic Responsibility, Ethical Responsibility, Legal Responsibility and Economic Responsibility.

4.5. Discussion of the main Findings

This section presents the findings of the study in line with the objectives of the study based on the analysis made, and the results of this research are also further explained. The main objective of this study is to examine the effects of CSR practices on organizational performance in the case of the Derba cement factory in Ethiopia. To this end, it is compulsory to know how much the CSR initiatives of the Derba cement factory are known or observed by the respondents. Among employees' responses, many of them believe that the Derba cement factory takes part in CSR practices out of genuine interest in contributing to the wellbeing of society with respect to maximizing profit.

The empirical findings are also combined with the theory in order to provide a wider standpoint. The result indicates that little is known about the demographic profile of the Derba cement factory that was analyzed through descriptive statistics. Accordingly, regarding the “sex” of the respondents, the study can conclude that most of the respondents (74.3%) were males. The Derba cement factory seems dominated by males, and most of the age dispersal of respondents in the factory ranges from 31–40, which is too young. In addition, almost all of the respondents were educated, and they had been working in the factory for more than five years. Accordingly, the student researcher also found that the company pays attention to philanthropic issues, ethical issues, legal issues and economic issues as CSR to link them with its business performance. In other ways, the majority of respondents believed Offers services for a local society (e.g., training, education, and financial aid, monitor potential negative impacts of activities on the society, follows all the terms and conditions of the society and strives to improve the quality of our products. Hence, the researchers can conclude that the majority of the respondents believe that CSR had positive effects on organizational performance.

From the findings of descriptive analysis, it can be noted that the majority of the respondents strongly agreed that legal responsibilities have positive effects on organizational performance compared this study with the previous research and literature (Asnake, D.T.; Hirpha, D.D.; Ogato, G.S. , 2019) studies CSR on Dangote cement his findings of descriptive analysis, it can

be noted that the majority of the respondents strongly agreed that ethical responsibilities have positive effects on organizational performance

The regression analysis further strengthens this claim. Accordingly, the coefficient of philanthropic responsibility was 0.141, which indicates that keeping other factors constant, a unit change in philanthropic responsibility causes a 14.1% increase in organizational performance and the effects of the independent factor (philanthropic responsibility), whose t-statistic value was found to be 2.001 at p-value of 0.047, and that of the dependent variable (organizational performance) is found to be positive and statistically significant, which is supported by Asnak2 2019.

On other hand, ethical responsibility has a positive relationship with the dependent variable (organizational performance). The value of the coefficient for ethical responsibility was 0.151, and its significance level was 0.000, which is less than 0.05. This result indicates the value of b is positive and shows that ethical responsibility has a positive relationship with dependent variables and statistically significant effects on organizational performance. Additionally, Asnake 2019 and Abrham Aydagn 2021 support this result. The coefficient of legal activities was also computed to be 0.198, which means that a unit change in legal activities has the influence to increase organizational performance by 19.8%, assuming all other variables are constant. The calculated t-statistic value of this independent variable is 2.125 at p-value of 0.035, which proves a positive and significant relationship with the dependent variable (organizational performance). Additionally, Asnake 2019 and Abrham Aydagn 2021 support this result.

The coefficient of economic activities was also computed to be 0.453, which means that a unit change in legal activities has the influence to increase organizational performance by 45.3%, assuming all other variables are constant. The calculated t-statistic value of this independent variable is 5.767 at p-value of 0.00, which proves the one of the variables, which has a positive and significant relationship with the dependent variable (organizational performance). Additionally, Abrham Aydagn 2021 support this result.

The regression estimates also showed an adjusted R² value of 0.589, indicating that about 58.9% of organizational performance of the firms under consideration was explained by the independent variable, while the remaining 41.1% variation in the organizational performance of the firms was caused by other factors not included in the model.

This shows that the model has a good fitness of the regression line. The computed F-statistic showed a value of 65.102, while the p-value was 0.000, which is less than the critical value of 0.05; as a result, the null hypothesis is rejected, while the alternate hypothesis is accepted.

This indicates that CSR has a significant effect on the organizational performance of the firms. This result is consistent with the postulation of the stakeholder theory and in line with the result of previous studies such as which found that there is a significant relationship between CSR and organizational performance, meaning that CSR has a positive and significant impact on profitability. In general, based on the findings of this study the researcher tried to address the major aim of investigating how the corporate social responsibility feature would have an effect on organizational performance.

4.6. Summary of interview Findings

Semi-structured interview was conducted with department managers and supervisors to gain a better understanding of the CSR practice and its impact on organizational performance in the case of Derba Midroc Cement Factory. Work experience of all interviewees was above five years. Results of the interviewee's responses to the questions are briefly depicted below. However, the majority of interview responses are presented and analyzed as a supportive response in the questionnaire analysis section.

First question: Is Derba Cement Factory successful in marketing because of CSR?

The researcher conducted a face to face interview with marketing supervisor, manager of CSR and manager of human resource and they believed that Derba Midroc cement factory has engaged in a number of CSR activities as it increases their customer base to ensure that the company's financial and non-finical performance also improves. Moreover, they emphasized that by engaging in CSR activities a firm's visibility and publicity is also maintained. The company is also actively participating in activities such as fund donation, charity, prevention of communicable diseases, a health center development, access road and bridges, environmental protection and other activities to society through the initiation of socially sustainable project.

Second question: How do you explain the relationship of the organization with the local community?

The respondents reflected that the relationship of the organization with the local community is very strong and incredible. The main problems for people living around our factory is unavailability of potable water and having seen that the local community especially women travel long distance to fetch water from unprotected springs, “we have provided the local community access to potable water supply by either directly pumping water from the plant’s main pipe line, by regularly filling water tankers placed in some village s and by developing and up keeping water springs. In total the local community is provided with 25 water points at a cost of Birr 450,000 to ensure the sustainability of communal water points, we have helped the local community in the establishment of water committees (five committee members for each water points). The water committee is responsible for managing the water points. This has made significant stride in access to safe water supply. Therefore, such social activities create good relationship with the sociality.”

Third question: How do you evaluate the responsibility of the organization in participating local community?

The respondents reflected that so far they are doing well. In addition, as part from effecting payment amounting over Birr 70 million up from land lease payment to assist the Oromia Regional Government to be able to pay compensation to the farmers displaced due to the project, “we have endeavored to the development of the communities, in which we operate, neighboring our plant site. Therefore, on different corporate social responsibility especially donation, ethical and legally the company has achieved succussfully with the help of the sociality. Due to such positive reaction the company customer base and financial trend has increase time to time.”

Forth question: How does the mission of the company integrate with its CSR missions?

The respondents reflected that the company mission is to become a profitable organization which satisfies its customers’ needs by producing and selling high quality cement products at a competitive price and maintaining good business values.to achieve this mission core value which mean to be committed to ethical and responsible actions that guarantee customer satisfaction, value the shareholders’ interest, guarantee customer satisfaction, accept corporate responsibility and up hold environmental protections has effectively implemented by our company. Therefore, the reasons behind the practice of CSR is just to achieve company mission and visions.

Fifth question: Which stakeholder groups do you consider most important for your company and why?

The respondents reflected that the company has good stakeholders who are clear about what they have in common with their colleagues, and are clear about where they differ. Good stakeholders defer to their colleagues' expertise, but maintain a healthy skepticism. They know when there is value on pushing on an issue, and when there is none. It is obvious all our stakeholders are important. While to be selective our employees, customers and Business Partners and suppliers are the key. In addition, like governments, Regulators, authorities, Contractors, media and other necessary for the company.

Sixth question: What problems are experienced in implementing Corporate Social Responsibility? What solutions would you suggest and future look for your company?

The respondents reflected that the company recognize corporate and social responsibilities and are committed to conducting business in a manner which achieves sustainable growth by discharging environmental, social and health and safety obligations. “The company aim to achieve our business objectives in a caring and responsible manner recognizing the social and environmental impacts of our activities. However, during the implementation phase one of the biggest challenges businesses face when it comes to CSR is the lack of a clear framework for implementing and measuring CSR initiatives. Unlike other business activities, such as finance or marketing, there is no established framework for CSR that businesses can follow.

For the time being we have set possible solutions how the company practice CSR effectively and efficiently. One our best model is support our customers/society who are affected/effected by our project in terms of finically of non-finically.

On top of this, the company has future look for CSR implementation and benefit, so that the company has a plan to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public who are also considered as stakeholders.”

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter discusses the study's findings, conclusions, and recommendations, as well as existing literature. The study's overall goal was to evaluate the effect of corporate social responsibility (CSR) on organization performance in case of Derba Cement factory in Addis Ababa, Ethiopia. The chapter discusses the study's findings, key conclusions, and recommendations. It concludes by presenting areas for further research.

5.1 Summary of Findings

The purpose of this study was to determine the effect of corporate social responsibility (CSR) on organization performance in case of Derba Cement factory in Addis Ababa, Ethiopia.

- The majority i.e., 139 (74.3 percent) of the total 187 respondents are Male respondents, while 48 (25.7 percent) are Female respondents. In addition, the majority of the respondents are in the age group of 31-40 years of age which accounts 114 (60%) from the total respondents followed by age group of less than 30 (25.7%). Regarding with their educational level of the respondents, 129 (69%) of the respondents are Degree holder, 39 (20.9%) of the respondents are Diploma holders.
- The majority 93(49.7%) of them have 6-10 years of work experience.48 (25.7%) of the respondents have 1-5 years of work experience. 41(21.9%) of the respondents have 11-15- years of work experience This indicates experienced employees might have positively contributed for the growth of CSR in the organization.
- Regarding their working department, the majority of the respondents 140 (74.9%) are working in factory department, 17(9.1%), are under Marketing & Sales 16 (8.6%) are under Finance and accounts, 8 (4.3%) and 6 (3.2%) of respondents are working in HRM and CSR. Therefore, this implies the majority of employees of the company are working in Factory (Cement mill, packaging & loading) departments. In addition, 116 (62%) married employees helps for the organization performance through different CSR responsibility as it is expected the married employees are more responsible than unmarried.

This researcher raised four major CSR variables (Philanthropic, Ethical, Legal, and Economic), and descriptive and inferential statistics revealed the following key findings.

✚ **Philanthropic CSR activities on Organization performance:** - regarding with the overall descriptive result: the majority of respondents were agreed with a mean value of (M=3.59, SD=1.08). It implies that philanthropic responsibility has a positive impact on organization performance in Derba cement factory. In addition, standard deviation shows there is a spread of ideas of the respondents, we can say that even the majority of respondents were agreed but there is a significant number of variations of that deviate from the mean value.

In other ways, the majority of respondents not decided that the company's level of awareness about CRS is high relative especially required top management encouragement for actively participated in CSR.

✚ **Ethical CSR activities on Organization performance:** - regarding with the overall descriptive result: the majority of respondents were agreed with a mean value of (M=3.58, SD=1.08). It implies that ethical responsibility has a positive impact on organization performance in Derba cement factory. In addition, in addition, standard deviation shows there is a spread of ideas of the respondents, we can say that even the majority of respondents were agreed but there is a significant number of variations of that deviate from the mean value.

In other ways, the majority of respondents not decided that the company's level of awareness about CRS is high relative especially required training for awareness of unethical behavior and responsibility.

✚ **Legal CSR activities on Organization performance:** - regarding with the overall descriptive result: the majority of respondents were agreed with a mean value of (M=3.68, SD=1.00). It implies that legal responsibility has a positive impact on organization performance in Derba cement factory. In addition, standard deviation shows there is a spread of ideas of the respondents, we can say that even the majority of respondents were agreed but there is a significant number of variations of that deviate from the mean value.

In other ways, it was near to the majority of respondents not decided that organization provide internal standards, polices and contexts not regulated openly by current law (e.g.,

corruption). On the other hands, the majority of respondent were agreed the company follows all the terms and conditions of the society.

Economic CSR activities on Organization performance: - regarding with the overall descriptive result: the majority of respondents were agreed with a mean value of (M=3.45, SD=1.06). It implies that economic responsibility has a positive impact on organization performance in Derba cement factory. In addition, standard deviation shows there is a spread of ideas of the respondents, we can say that even the majority of respondents were agreed but there is a significant number of variations of that deviate from the mean value. In other ways, the majority of respondents not decided that the organization is delivered the finished products fairly for their customers.

- ✚ **Organizational performance:** - regarding with the overall descriptive result: the majority of respondents were agreed with a mean value of (M=3.53, SD=1.03). It implies that the vast majority of respondents were agreed. It implies that CSR has a significant impact on organization performance, while the performance still needs to be improved as a company market share, sales, profitability employee and customer satisfaction and retention and overall organization performance Moreover, standard deviation, which ranges from 0.94 to 1.083, which indicates it, was a big variation. As it shows there is a spread of ideas of the respondents, we can say that respondents were agreed in similar ideas but significant number of variations of that deviate from the mean value.
- ✚ Correlation results of the four independent variables with the dependent variable (organization performance) results a positive Pearson correlation $p < .05$ and the magnitude of relational strength is moderate for philanthropic and ethical responsibility and both legal and economic level of strength with organization performance is high as the r valve greater than 66%.
- ✚ The significance in the ANOVA analysis is 0.000, indicating that the results are significant.
- ✚ Overall, the multiple regression made for the four independent variables (predictors) explained the dependent variable (organization performance) by 58.9 percent.
- ✚ The coefficients of standardized estimation result indicate that, out of the four independent variables considered in the model, economic responsibility related factors has the highest beta coefficient, which is ($\beta = .453$), this confirms that it has higher level of

sensitivity to the subject organization performance. Philanthropic activities, on the other hand, have had little impact on organization performance. Which is ($\beta=.141$).

- ✚ Hypothesis test result: Since the concern of this study is on testing the multiple effects of CSR variables on the dependent variable (organization performance), all CSR variables were supported and accepted as $P < 0.05$.
- ✚ The Cronbach alpha for all five variables exceeded 0.7, as shown in the table above. According to the literature, this confirmed the research instrument's internal consistency. As a result, no items were found to be redundant.

5.2 Conclusion

This study proposed to find out the effects of CSR activities on organizational performance in the case of the Derban cement factory in Addis Ababa, Ethiopia. It contributes to the knowledge of the effects of CSR activities on organizational performance, which has only occasionally been addressed in prior research, and to the best of the researchers' knowledge has not been analyzed in such an inclusive manner or covering all four independent variables of CSR activities included in this study. The finding highlights that the Derba Midroc cement factory had undertaken different aspects of CSR in order to enhance its performance; hence, the factory pays attention to philanthropic, ethical, legal and economic activities as CSR. According to the respondents' view of point, the factory knows CSR has positive effects on its performance, but lacks awareness of which forms of CSR have significantly affected the organization's performance.

The authors found out that CSR had a positive effect on a factory for continual growth. This was attributed to the fact that CSR activities create a platform for the factory to improve its corporate market share, sales growth, customer and employee satisfaction and retention, and the profitability of the firm. The findings also provided enough evidence that CSR is more important as a direct factor that influences firm performance. Therefore, it can be concluded that emphasis on the implementation of corporate social responsibility activities is very important and ensures the continuous organizational performance of firms, which enhances service delivery to the organization, employees, customers, and the stakeholders. - using on the results of this study, it can be concluded that philanthropic responsibility of the factory has an impact on the performance based on satisfaction and retention. The positive significant correlation coefficient

0.453, P shows that any increase in economic responsibility has increase the performance of the cement factory based on avoidable of the cement price and others.

The regression analysis indicated that all CSR responsibility has a significant impact on Cement performance based on philanthropic, ethical, legal and economic activities with a contribution of 58.9% on R Square. This indicates that 58.9% variance in cement performance can be accounted by those listed responsibilities. This indicates that cement factory should consider all listed responsibility as factor that has an impact to organization performance.

In general, this study found and concluded that CSR activities have a positive effect on organization performance, implying that more work on independent variables has help the company gain a competitive advantage and profitability.

5.3 Recommendation

The following recommendations are made based on the study's major findings.

- The company should consider in investing much in economic activities then philanthropic, as this will lead to improve in performance.
- Owners of the factory are expected to reshuffle their management structure in order to create smooth relationship with internal and external customers.
- CSR environment has got insignificant impact on organization performance
- The factory should promote the activities related to corporate social responsibility to build its image and reputation.
- The organization should provide enough training to employees on unethical behavior.
- The organization should follows all the terms and conditions of the society aligned with current law.
- The organization should offer the finished produced with affordable price to their customers
- The organization should work on CSR seriously to improve Shareholder satisfaction, financial performance increment and competitiveness.
- Owners of the factory should implement corporate social responsibility practices like protection of the local environment and provision social services.

- There should be a continuous follow up on the part of the government specially the investment bureau (federal/regional) to check whether the organization is on the right track in implementing CSR in different dimensions.

Direction for future research:-

In future, research studies are needed to enhance the results of the current study and increase the generalize ability of the results. Future studies are needed in Ethiopia in other industries such as manufacturing and other service sectors to investigate the effect of CSR on performance. Moreover, future studies are needed to investigate CSR in customer satisfaction such studies do not exist in ethiopia to the best of the researcher's knowledge. Lastly, measurement scales have usually a great effect on the results of any empirical study.

Thus, it is recommended that other studies on CSR practices will definitely fill the gap. Moreover, the researcher would like to recommend Derba Cement Factory should take a look at the findings and recommendations of this research paper so that it can fill the gap in corporate social responsibility related activities.

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ADDIS ABABA UNIVERSITY
DEPARTMENT OF MARKETING MANAGEMENT
QUESTIONNAIRE

Dear Respondent:

My name is Fitsum Bekele and I am a student in the post graduate program at the Addis Ababa University School of commerce. I am conducting a research on the topic of “Effect of Corporate Social Responsibility on Organizational Performance: In the case of Derba Midroc Cement Factory in Addis Ababa, Ethiopia”. Hence, this questionnaire is designed to collect the necessary data to write a thesis on the subject. Therefore, I respectfully request that, if you can take the time to complete the below questionnaire. Please be assured that any information collected through this questionnaire is confidential and will be used for research purposes only. You are kindly requested not to write your name anywhere on the questionnaire.

Yours sincerely,

Fitsum Bekele

Mobile-0911227724

Email- fitsumtoromas12@gmail.com

The Questionnaire has Three sections.

Section One: Demographic Profile of Respondents:

Section Two: Level of Corporate Social Responsibility

(Philanthropic, Ethical, legal, and Economic)

Section Three: Organization Performance:

Thanking you in advance.

Part One: Demographic and Socio-Economic Related Questions:

No	Questions	Response
1	Sex	1. Male 2. Female
2	Age	1. Less than 30 2. 31-40 3. 41-50 4. >50
3	Level of education	1. Certificate 2. Diploma 3. Degree 4. Master/PhD
4	Work experience in the organization	1. 1-5 years 2. 6-10 years 3. 11-15 years 4. Above 16 years
5	Marital Status	1. Married 2. Unmarried 3. Other-----
6	Department	1. Corporate Social Responsibility 2. Marketing & Sales 3. Factory 4. Finance and accounts 5. Human resource management

Part Two: Level of Corporate Social Responsibility:

Instruction: Please make a tick mark “✓” in the box which best reflects your opinion and level of agreement for each statements.

Description: Level of agreement

1=Strongly Disagree (SDA) 2=Disagree(D) 3=Neutral (N) 4=Agree(A) 5=Strongly Agree (SA)

S.No.	Items	SDA	D	N	A	SA
		1	2	3	4	5
1	Philanthropic responsibility:					
1.1	Derba Midroc Cement offers financial aid services to the local community					
1.2	A program is in place to reduce the amount of energy materials waste to the community					
1.3	Derba Midroc Cement provide quality services and goods to the community.					
1.4	The corporations environmental impact in terms of protection of the natural environment is considered.					
1.5	Derba Midroc Cement is providing appropriate environment to the local community (e.g. Suitable housing including a person who have a special need).					
1.6	Top management encourages employee to actively participate in CSR practices.					
1.7	The organization ensures that all products meet the required safety and environmental standards.					
1.8	Derba Midroc Cement assists to enhance quality of life in the local community (Access roads, health centers, clean water etc.).					
2.	Ethical responsibility:					
2.1	Derba Midroc Cement is operating its business within the ethical standards of the society.					
2.2	Derba Midroc Cement encourages freedom of association of workers.					
2.3	Derba Midroc Cement strives to deliver high value and a quality product that meets and/or exceeds customers' expectations.					

2.4	Derba Midroc Cement provides enough training to employees to create awareness about unethical behaviors.					
2.5	Derba Midroc Cement take prompt corrective action against any undesirable behavior and work to create such a corporate culture.					
2.6	Derba Midroc Cement monitor potential negative impacts of activities on the community.					
2.7	The organization has adequate procedures against discrimination (e.g., women, diversity, ethnic group).					
2.8	Derba Midroc Cement management nurtures stakeholders dialogues on CSR practices					
3.	Legal Responsibility					
3.1	Derba Midroc Cement complies with the environmental laws, rules, and regulations to promote environmental protection.					
3.2	Derba Midroc Cement include the aspect of respecting human rights in its code of conduct.					
3.3	Derba Midroc Cement follows all the terms and conditions of the society.					
3.4	Derba Midroc Cement provide internal standards, polices and contexts not regulated openly by current law (e.g., corruption).					
3.5	Derva Midroc Cement provides goods and services that go far beyond minimal legal requirements (products security).					
3.6	Derba Midroc Cement management encourages positive incentives in the organization.					
3.7	Derba Midroc Cement provides equal opportunities assured for all workers without bias.					
4.	Economic Responsibility					
4.1	Derba Midroc Cement monitors employee productivity.					
4.2	Derba Midroc Cement monitors the interaction between corporation and their clients.					
4.3	Derba Midroc Cement let its customers to access information about its products.					
4.4	Derba Midroc Cement strives to improve the quality of its products.					
4.5	Derba Midroc Cement deliver finished products fairly to its customers.					
4.6	Derba Midroc Cement reduce wastage of construction material.					

Part Three: Organization Performances:

Instruction: Please make a tick mark “✓” in the box which best reflects your opinion and level of agreement for each statements.

Description: Level of agreement

1=Strongly Disagree(SDA) 2=Disagree(D) 3=Neutral (N) 4=Agree(A) 5=Strongly Agree (SA)

S.No.	Organization CSR Performance	SDA	D	N	A	SA
		1	2	3	4	5
1.	Overall profit level achieved relative to competitors after CSR implementation.					
2.	Market share achieved relative to competitors after CSR implementation.					
3.	Level of sales growth recorded after CSR implementation.					
4.	Level of customer satisfaction achieved after CSR implementation.					
5.	Level of customer loyalty achieved after CSR implementation.					
6.	Level of corporate image improved after CSR implementation.					
7.	Level of employee satisfaction after CSR implementation.					
8.	Level of employee retention after CSR implementation.					
9.	Share holder satisfaction with financial performance after CSR implementation.					

Semi-Structured Interview

(For Managers and supervisor in Derba Midroc Cement Factory)

A. The researcher introduced himself and told the interviewee the aim of the interview.

B. Let the interviewee to introduce his name, education level, year of experience, position

1. Is Derba Cement Factory successful in marketing because of CSR?
2. How do you explain the relationship of the organization with the local community?
3. How do you evaluate the responsibility of the organization in participating local community?
4. How does the mission of the company integrate with its CSR missions?
5. Which stakeholder groups do you consider most important for your company and why?
6. What problems are encountered in implementing Corporate Social Responsibility? What solutions would you suggest and future look for your company?

THANK YOU